

# Monthly Operating Report

May 2020



Putting our energy where it matters

# May overview.

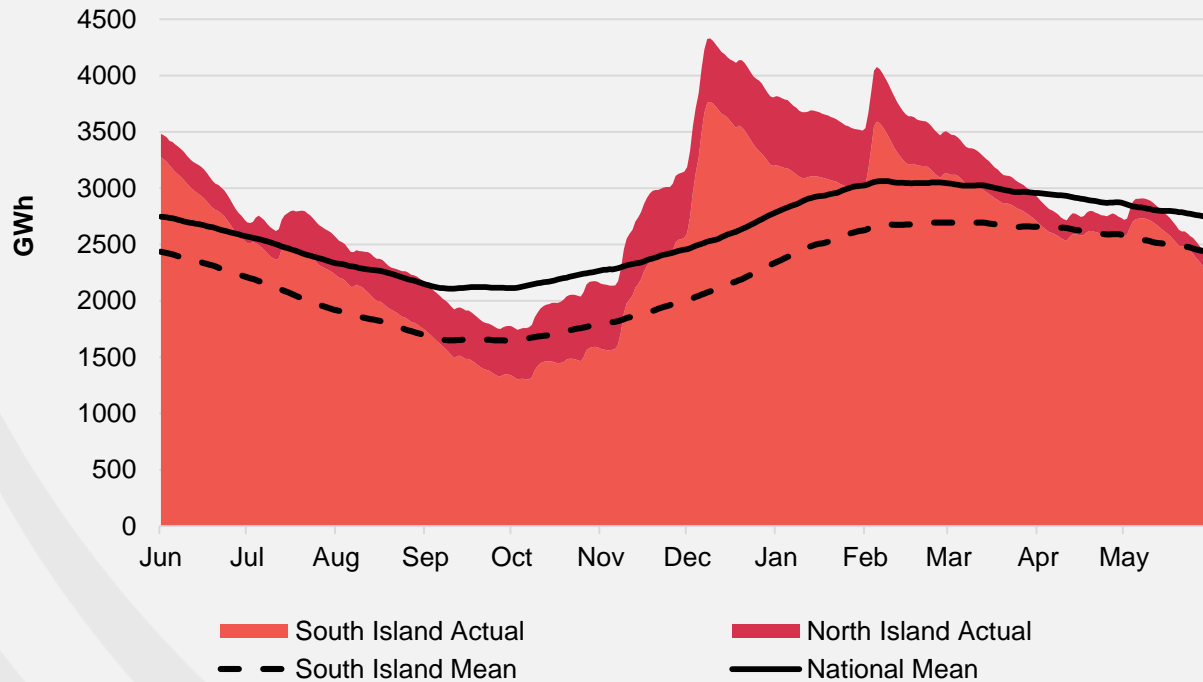
## For the month of May 2020

- » The Customer business recorded:
  - Mass market electricity and gas sales of 383 GWh (May 2019: 395 GWh)
  - Mass market electricity and gas netback of \$101.63/MWh (May 2019: \$88.21/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 666 GWh (May 2019: 767 GWh)
  - Electricity and steam net revenue of \$86.12/MWh (May 2019: \$88.26/MWh)
  - Electricity generated (or acquired) of 724 GWh (May 2019: 867 GWh)
  - The unit generation cost, which includes acquired generation was \$23.19/MWh (May 2019: \$34.85/MWh)
    - Own generation cost in the month of \$22.26/MWh (May 2019: \$31.23/MWh)
- » Otahuhu futures settlement wholesale price for the 3<sup>rd</sup> quarter of 2020 (ASX):
  - As at 8 June 2020: \$112/MWh
  - As at 31 May 2020: \$102/MWh
  - As at 30 April 2020: \$88/MWh
- » As at 8 June 2020, South Island controlled storage was 87% of mean (31 May 2020: 93%) and North Island controlled storage was 51% of mean (31 May 2020: 43%)
  - As at 8 June 2020, total Clutha scheme storage (including uncontrolled storage) was 69% of mean
  - Inflows into Contact's Clutha catchment for May 2020 were 64% of mean (April 2020: 83%, March 2020: 90%, February 2020: 189%, January 2020: 68%)

# Hydro storage and forward prices.

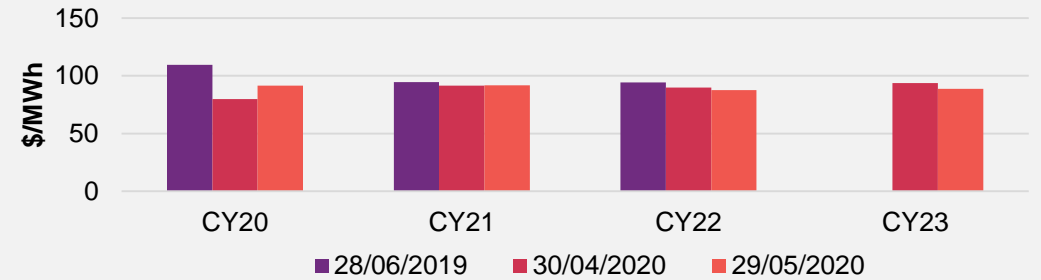
## New Zealand controlled hydro storage against mean

12 MONTHS

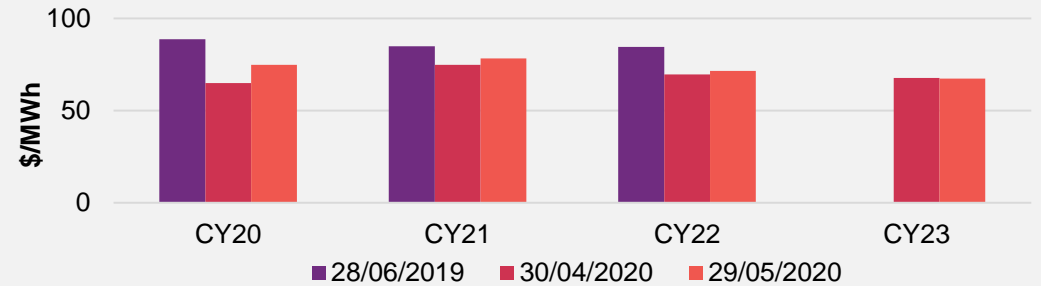


## ASX futures settlement

Otahuhu

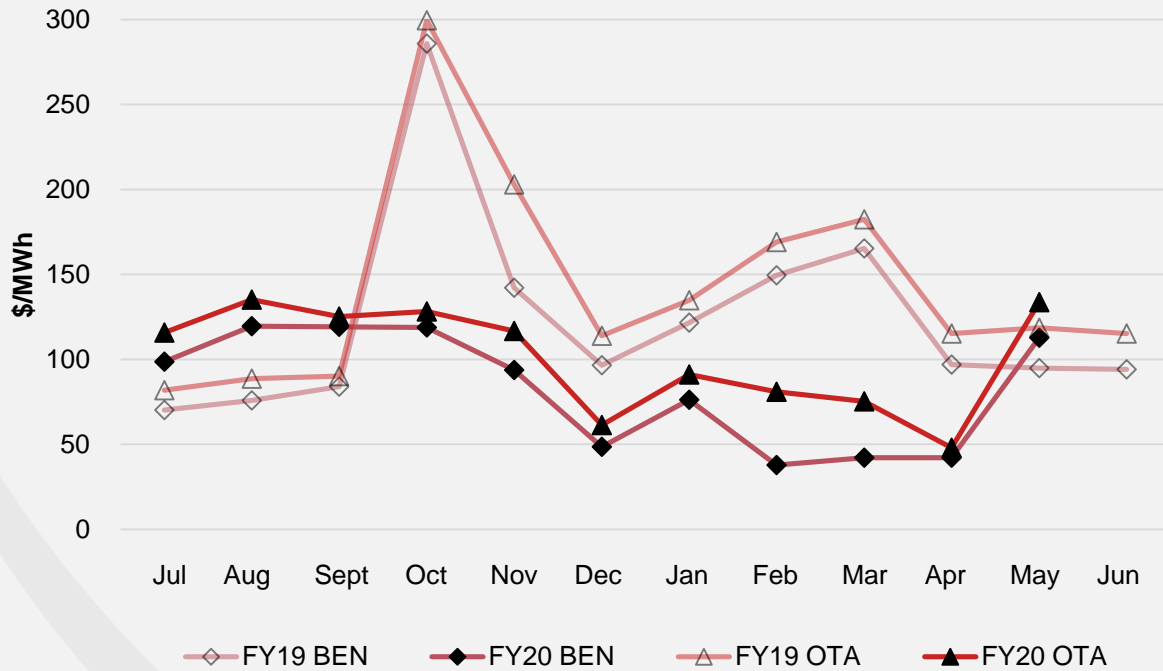


Benmore



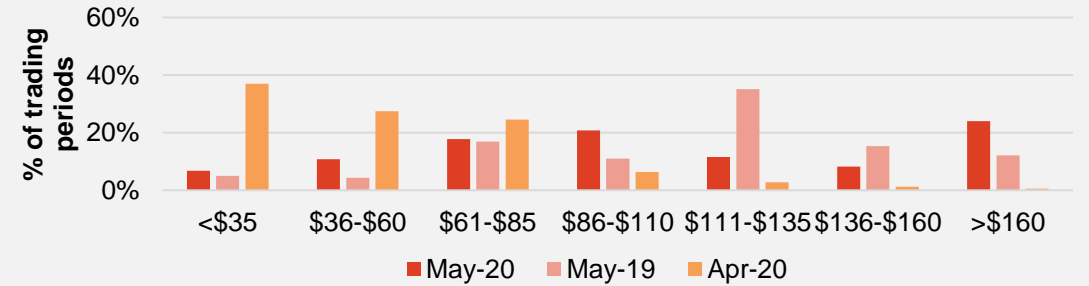
# Wholesale market.

## Wholesale electricity pricing

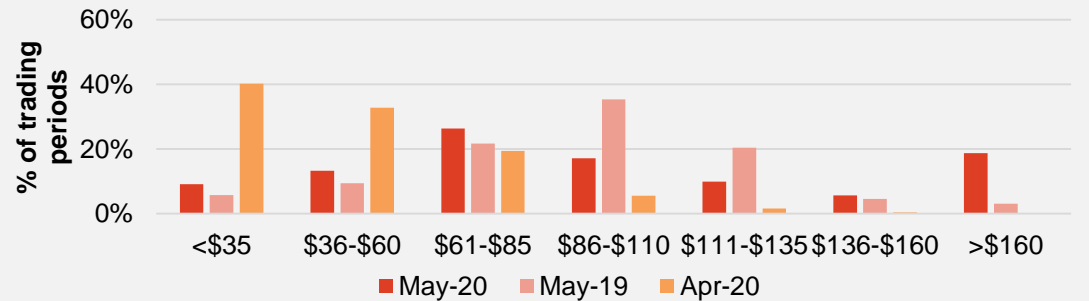


## Distribution of wholesale market price by trading periods

Otahuhu



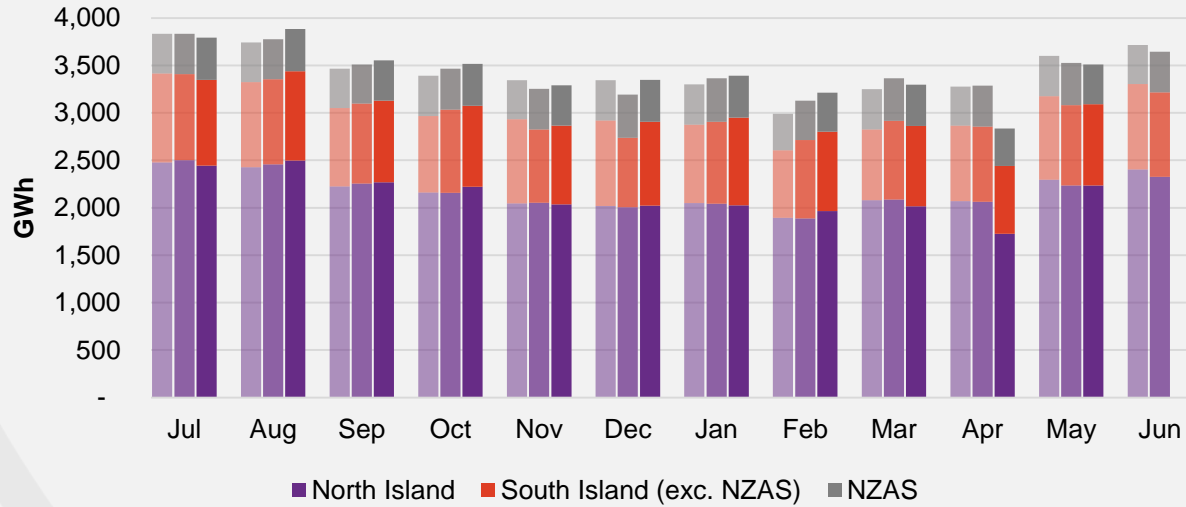
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# Electricity demand.

## Total national demand

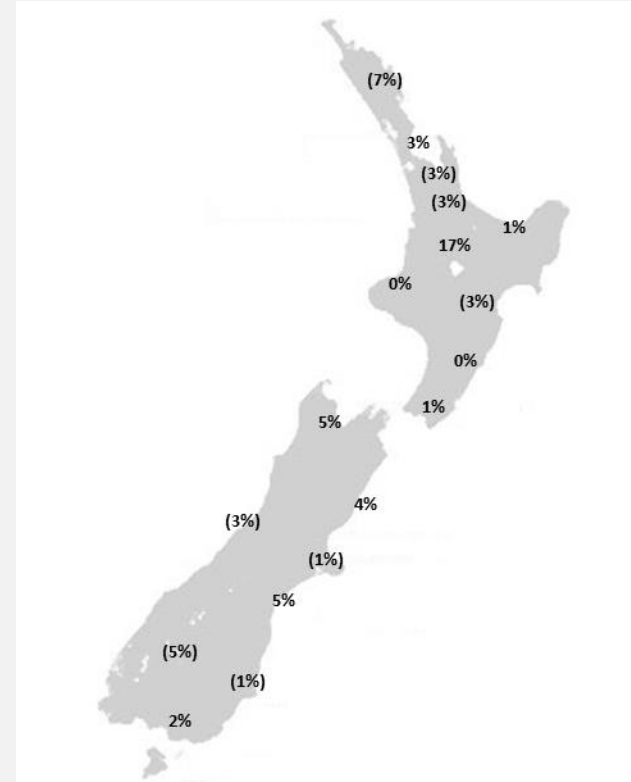
FY18, 19 and 20 respectively



- » New Zealand electricity demand was down 1% on May 2019 (down 3% on May 2018), COVID-19 L4 and L3 lockdown were in place throughout April:
  - Cumulative 12 months demand for April 2019 to May 2020 of 41,277 GWh is down by 0.4% on the prior comparative period.

## Regional demand change (%) on May 2019

Nationwide temperatures for May 2020 were 11°, 1.3° lower than May 2019: 12.3°

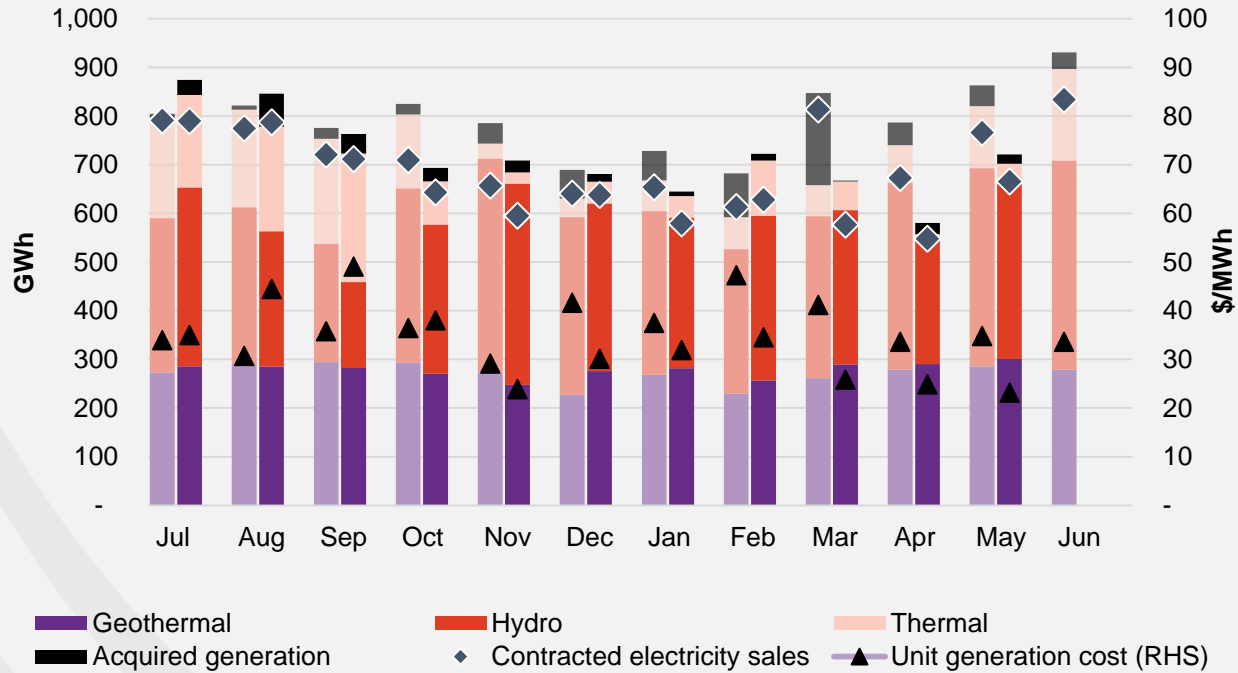


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

# Business performance.

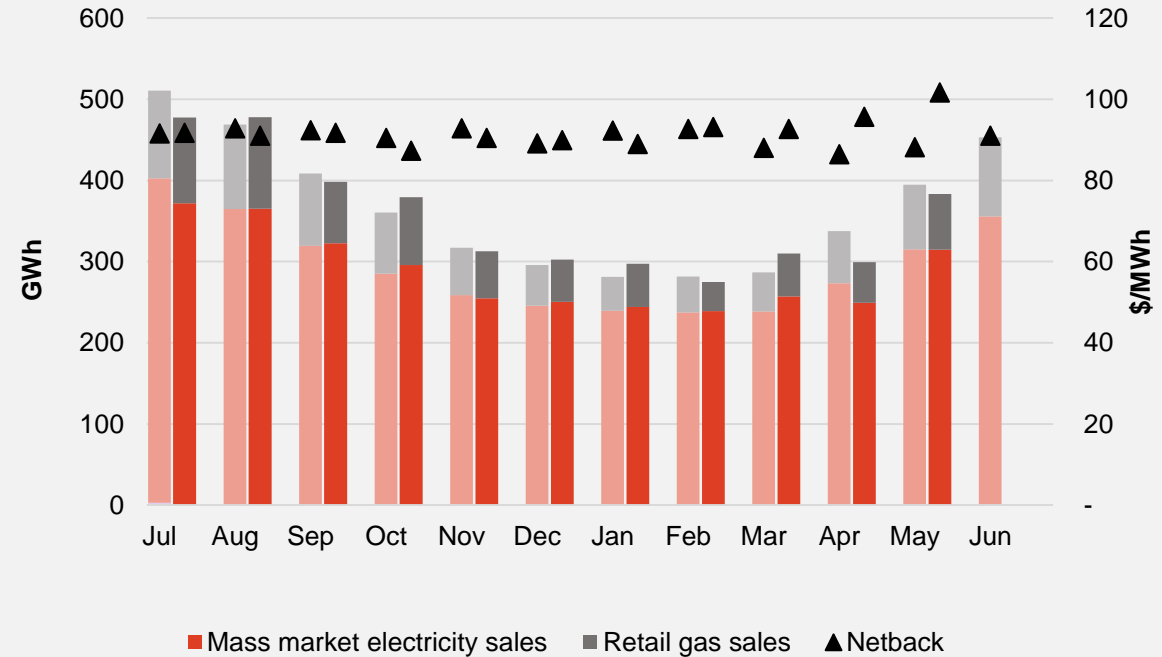
## Wholesale

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



## Customer

Retail sales volumes and netback (FY19 and 20 respectively)





## Operational data.

		Measure	The month ended May 20	The month ended May 19	The month ended April 20	Eleven months ended May 20	Eleven months ended May 19
Customer	Mass market electricity sales	GWh	315	315	249	3,165	3,178
	Retail gas sales	GWh	69	80	50	749	763
	Mass market electricity and gas sales	GWh	383	395	300	3,914	3,940
	Average electricity sales price	\$/MWh	243.85	242.31	253.78	245.33	245.17
	Electricity direct pass thru costs	\$/MWh	(109.00)	(117.87)	(122.41)	(118.72)	(120.45)
	Cost to serve	\$/MWh	(17.70)	(21.17)	(23.81)	(18.92)	(19.36)
	Customer netback	\$/MWh	101.63	88.21	95.66	92.21	90.72
	Energy cost	\$/MWh	(92.24)	(79.65)	(75.08)	(80.12)	(73.61)
	Actual electricity line losses	%	8%	1%	2%	6%	7%
	Retail gas sales	PJ	0.2	0.3	0.2	2.7	2.7
	Electricity ICPs	#	407,000	411,000	407,000	409,500	408,000
	Gas ICPs	#	65,000	66,500	65,000	65,500	65,500
Wholesale	Electricity sales to Customer business	GWh	341	318	253	3,362	3,402
	Electricity sales to Commercial and Industrial	GWh	155	232	139	2,028	2,813
	Electricity CFD sales	GWh	170	216	156	1,778	1,604
	Contracted electricity sales	GWh	666	767	548	7,168	7,818
	Steam sales	GWh	27	20	19	524	548
	Total electricity and steam net revenue	\$/MWh	86.12	88.26	79.81	79.06	78.47
	C&I netback (at the ICP)	\$/MWh	88.77	96.51	81.30	83.67	84.86
	C&I line losses	%	5%	5%	4%	5%	4%
	Thermal generation	GWh	40	128	11	1,093	1,233
	Geothermal generation	GWh	301	286	291	3,070	2,977
	Hydro generation	GWh	361	407	256	3,466	3,801
	Spot electricity sales	GWh	702	821	557	7,629	8,011
	Electricity sales - Direct	GWh	3	3	4	78	82
	Acquired generation	GWh	19	43	23	274	600
	Electricity generated (or acquired)	GWh	724	867	585	7,982	8,693
	Unit generation cost (including acquired generation)	\$/MWh	(23.19)	(34.85)	(24.89)	(33.36)	(36.38)
	Spot electricity purchases	GWh	(493)	(547)	(388)	(5,312)	(6,132)
	CFD sale settlements	GWh	(170)	(216)	(156)	(1,778)	(1,604)
	Spot exposed purchases / CFD settlement	GWh	(663)	(763)	(544)	(7,090)	(7,736)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	125.49	102.51	46.06	93.61	132.86
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(130.33)	(110.90)	(49.76)	(99.62)	(139.24)
	LWAP/GWAP	%	104%	108%	108%	106%	105%
Gas used in internal generation	PJ	0.5	1.1	0.2	11.1	12.5	
Gas storage net movement (extraction) / injection	PJ	0.4	(0.4)	0.6	2.4	(3.0)	

## Keep in touch.

### Investors

#### Matthew Forbes – GM Corporate Finance

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