

Monthly Operating Report

August 2023



August overview.

For the month of August 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 489GWh (August 2022: 458GWh)
 - Mass market netback of \$127.73/MWh (August 2022: \$109.58MWh)
 - » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 832GWh (August 2022: 701GWh)
 - Electricity and steam net revenue of \$145.86/MWh (August 2022: \$109.40MWh)
 - Electricity generated (or acquired) of 803GWh (August 2022: 724GWh)
 - The unit generation cost, which includes acquired generation was \$50.81/MWh (August 2022: \$37.37/MWh)
 - Own generation cost in the month of \$50.54/MWh (August 2022: \$30.64/MWh)
- » Tauhara project progress vs. target for August 2023 was 98% vs. 98%¹.
 - » Te Huka 3 project progress vs. target for August 2023 was 54% vs. 54%¹.
 - » Otahuhu futures settlement wholesale price for the 4th quarter of 2023 (ASX):
 - As at 12 September 2023: \$111/MWh
 - As at 31 August 2023: \$144/MWh
 - As at 31 July 2023: \$110/MWh
 - » As at 12th September 2023, South Island controlled storage was 87% of mean and North Island controlled storage was 70% of mean
 - As at 12th September 2023, total Clutha scheme storage was 39% of mean
 - Inflows into Contact's Clutha catchment for August 2023 were 61% of mean. (July 2023: 49%, June 2023: 128%, May 2023: 158%)
 - » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 11.2PJ²

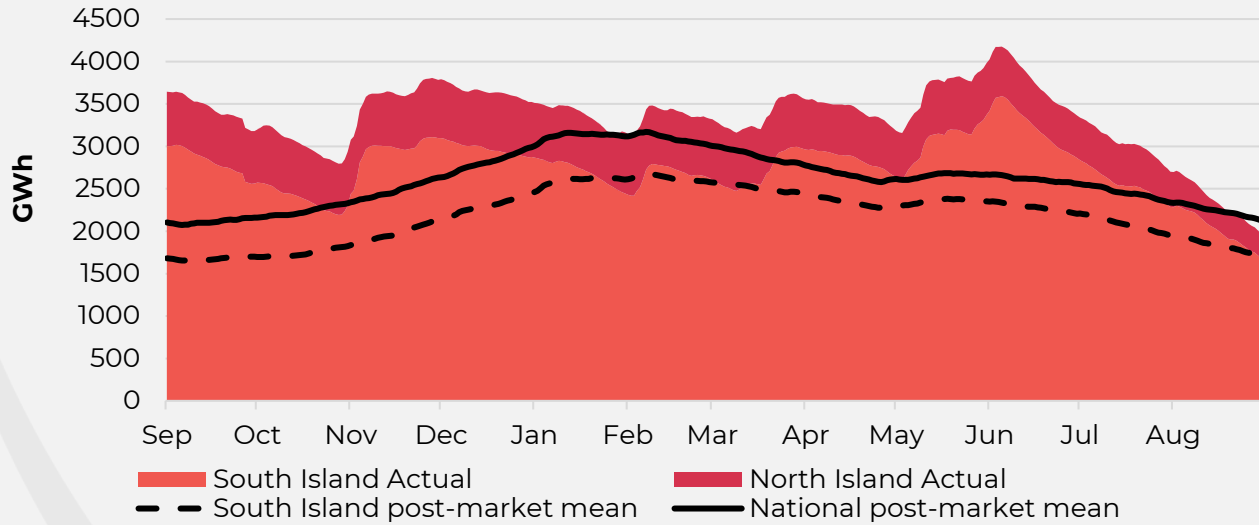
¹ The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion in Q4 of 2023 and late 2024, respectively. Figures rounded to the nearest percentage.

² Forecast gas volumes as notified by suppliers, actual gas received is dependent on field delivery. This excludes gas available at AGS. It includes gas under discussion for reduction to reflect renewable build. Note: Mean hydro references on this page are based on the mean of all reported periods (i.e. both pre- and post-market data), sourced from NZX)

Hydro storage and forward prices.

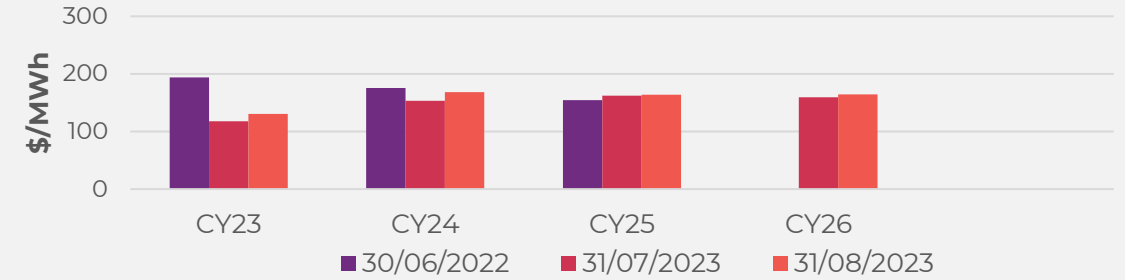
New Zealand controlled hydro storage against mean

12 MONTHS

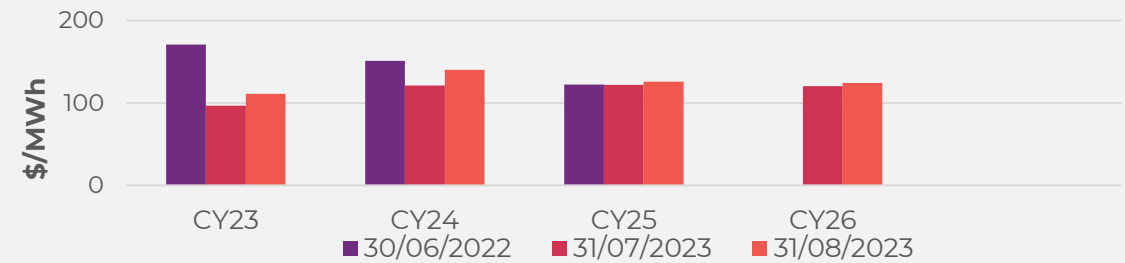


ASX futures settlement

Otahuhu

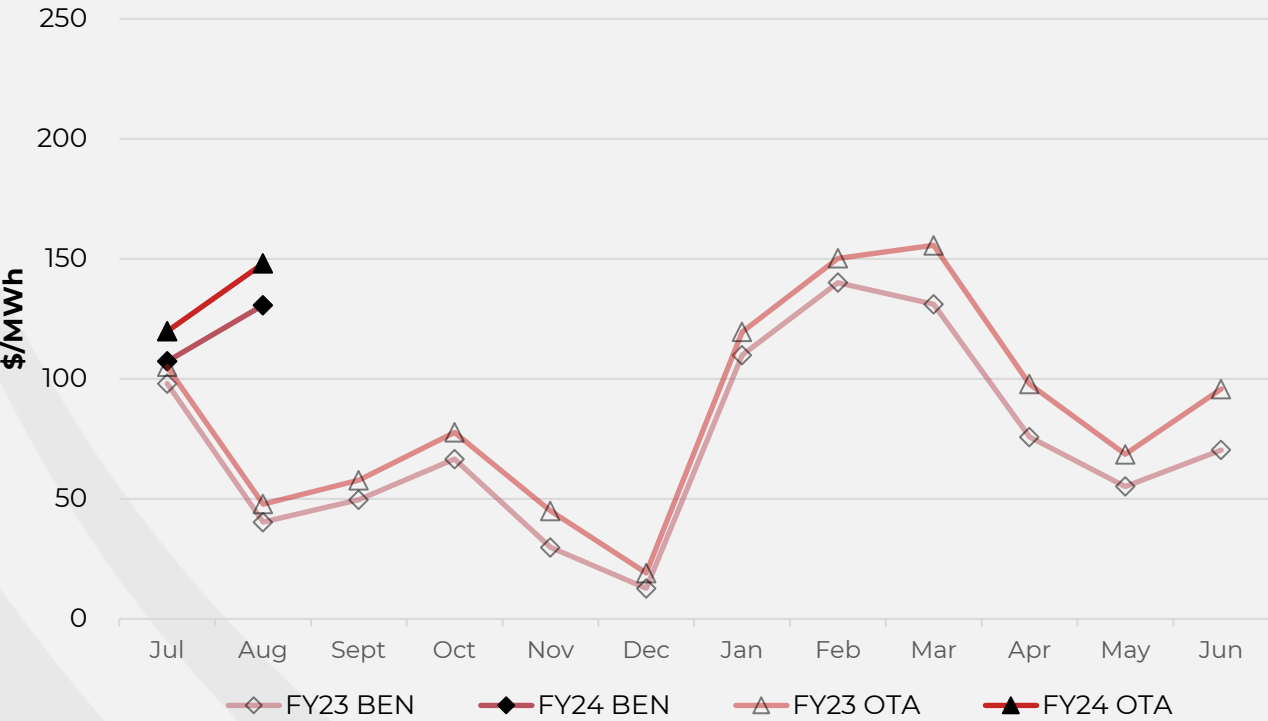


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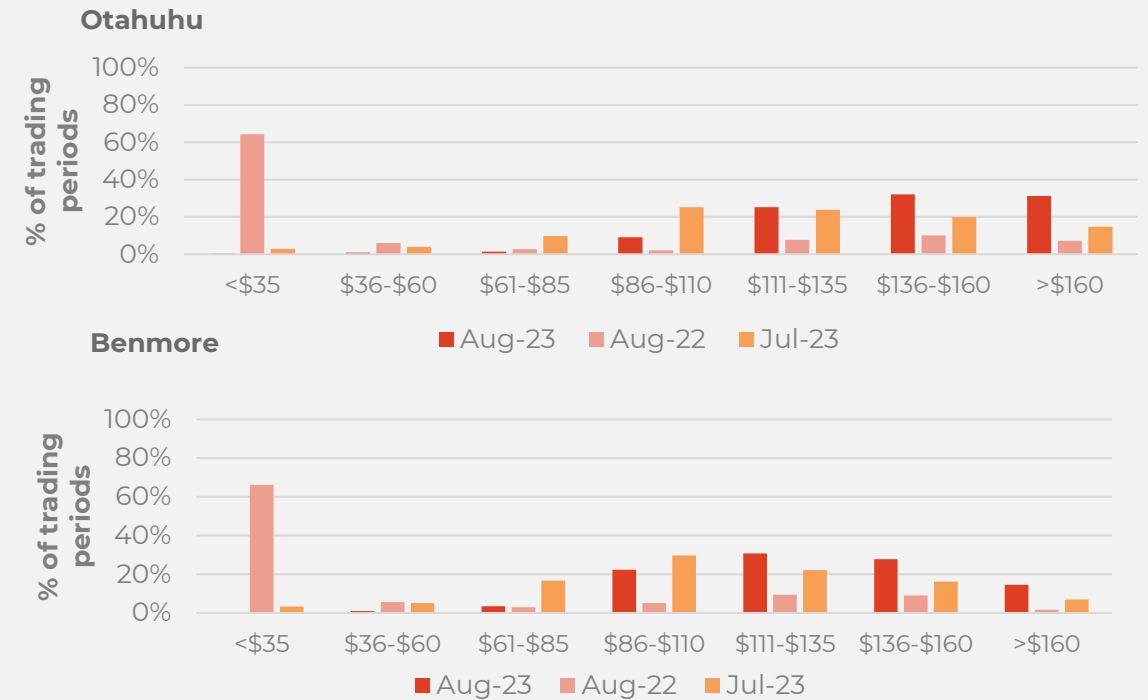


Wholesale market.

Wholesale electricity pricing



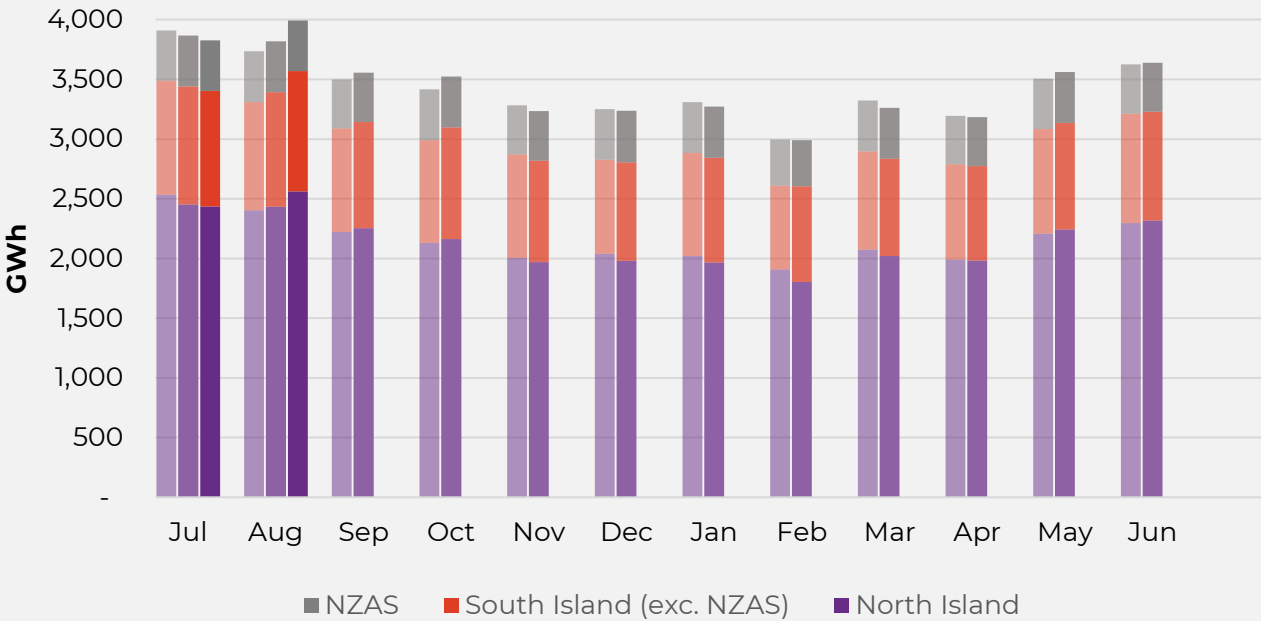
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

FY22, 23 and 24 respectively

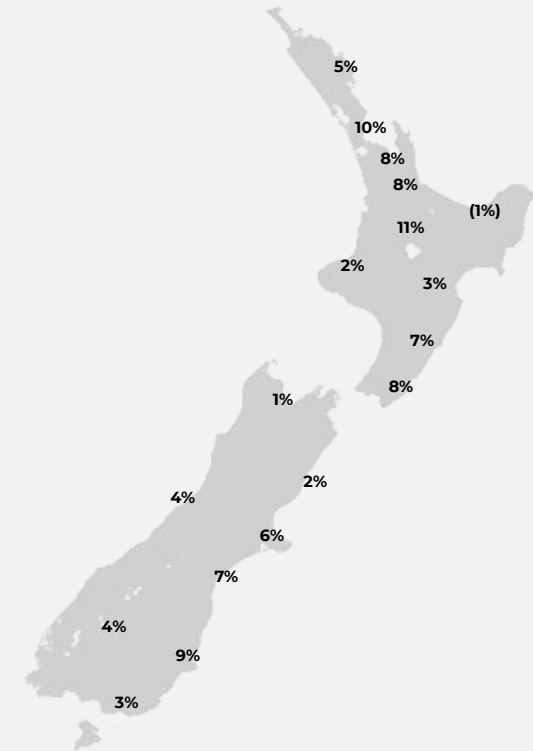


» New Zealand electricity demand was up 4.5% on August 2022 (up 6.9% on August 2021)

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

Regional demand change (%) on August 2022

The nationwide average temperature for August 2023 was 8.4°C, 1.9°C lower than August 2022: 10.3°C

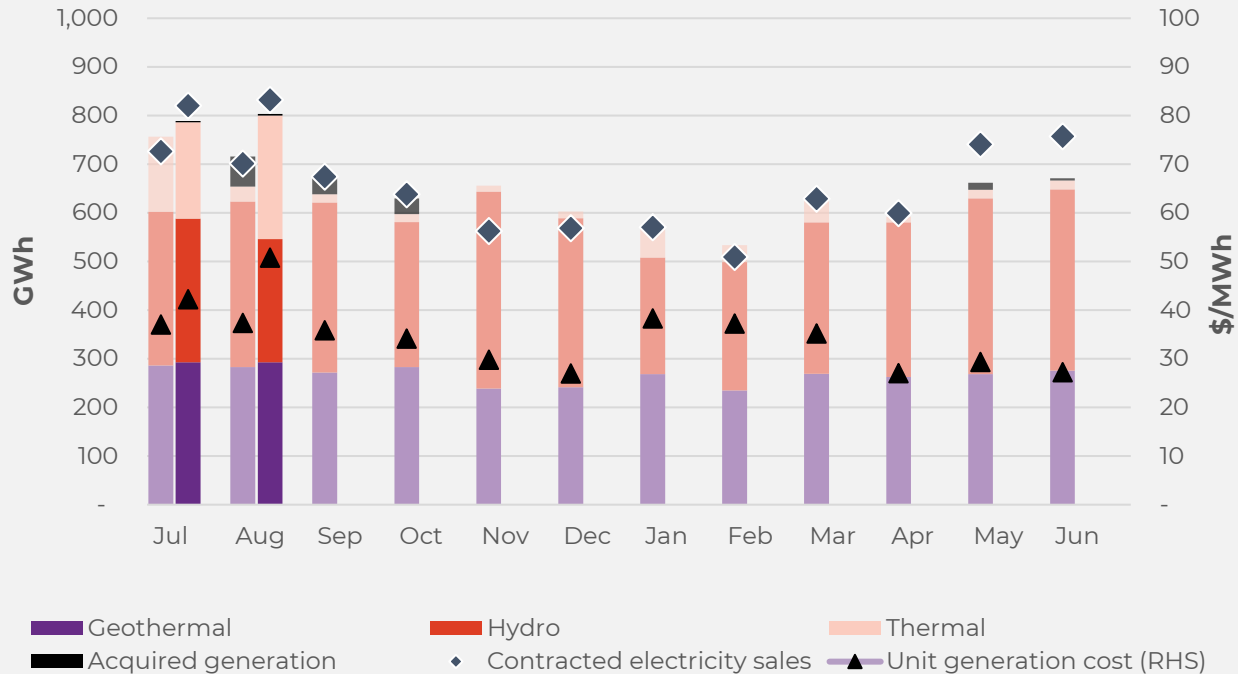


Regional demand is excluding NZAS

Business performance.

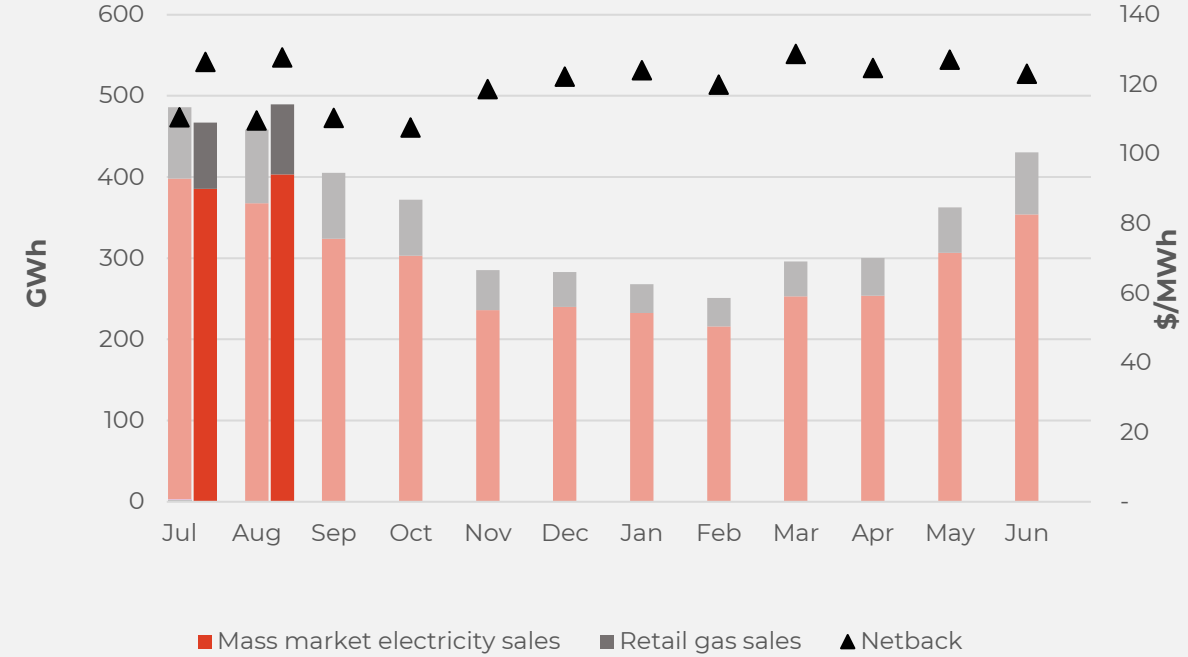
Wholesale

Generation mix, gross sales position and unit generation cost (FY23 and 24 respectively)



Retail

Retail sales volumes and netback (FY23 and 24 respectively)



Operational data.

		Measure	The month ended August 23	The month ended August 22	The month ended July 23	Two months ending August 23	Two months ending August 22
Retail	Mass market electricity sales	GWh	403	368	385	788	763
	Retail gas sales	GWh	86	91	82	168	179
	Mass market electricity and gas sales	GWh	489	458	467	956	941
	Average electricity sales price	\$/MWh	264.28	248.97	266.65	265.44	248.02
	Electricity direct pass thru costs	\$/MWh	(108.37)	(109.06)	(111.73)	(110.01)	(109.15)
	Cost to serve	\$/MWh	(14.13)	(12.49)	(14.16)	(14.15)	(12.21)
	Customer netback	\$/MWh	127.73	109.58	126.40	127.08	110.05
	Energy cost	\$/MWh	(149.25)	(118.74)	(161.55)	(155.26)	(125.14)
	Actual electricity line losses	%	6%	6%	7%	7%	6%
	Retail gas sales	PJ	0.3	0.3	0.3	0.6	0.6
	Electricity ICPs	#	433,500	431,500	431,000	432,500	431,500
	Gas ICPs	#	71,000	71,000	70,500	71,000	71,000
Broadband connections	#	88,000	74,000	87,000	87,500	73,000	
Wholesale	Electricity sales to Customer business	GWh	430	393	414	844	815
	Electricity sales to Commercial and Industrial	GWh	118	136	113	230	264
	Electricity CFD sales	GWh	284	172	294	579	349
	Contracted electricity sales	GWh	832	701	821	1,653	1,428
	Steam sales	GWh	21	68	21	43	101
	Total electricity and steam net revenue ¹	\$/MWh	145.86	109.40	152.72	149.26	112.64
	C&I netback (at the ICP)	\$/MWh	150.62	131.73	155.32	152.92	138.16
	C&I line losses	%	4%	4%	4%	4%	4%
	Thermal generation	GWh	254	31	198	452	186
	Geothermal generation	GWh	293	283	293	586	570
	Hydro generation	GWh	253	340	296	549	655
	Spot electricity sales	GWh	800	654	786	1,586	1,411
	Electricity sales – Direct	GWh	-	8	-	-	11
	Acquired generation	GWh	3	62	3	6	62
	Electricity generated (or acquired)	GWh	803	724	789	1,592	1,484
	Unit generation cost (including acquired generation) ²	\$/MWh	(50.81)	(37.37)	(42.28)	(46.58)	(37.22)
	Spot electricity purchases	GWh	(548)	(521)	(527)	(1,074)	(1,068)
	CFD sale settlements	GWh	(284)	(172)	(294)	(579)	(349)
	Spot exposed purchases / CFD settlement	GWh	(832)	(693)	(821)	(1,653)	(1,416)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	138.63	48.94	113.48	126.17	75.93
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(145.50)	(53.37)	(120.24)	(132.96)	(82.84)
	LWAP/GWAP	%	105%	109%	106%	105%	109%
	Gas used in internal generation	PJ	2.0	0.5	1.5	3.5	1.9
Gas storage net movement (extraction) / injection	PJ	(0.6)	1.1	(0.2)	(0.7)	1.5	
Progress tracking actual (<i>target</i>) for Tauhara (grey) and Te Huka 3 (no fill)	%	98% (98%)	54% (54%)	N/A	N/A	97% (98%)	N/A
Contact	Total customer connections	#	598,000	582,000	594,000	596,000	581,000
	Realised gains / (losses) on market derivatives not in a hedge relationship ³	\$m	(0.13)	(4.99)	(3.13)	(3.26)	(3.41)

¹ Contact has made reclassifications to better align with IFRIC guidance on IFRS 9 resulting in realised gains/losses from market derivatives not in a hedge relationship (includes market making activity) no longer being reported in operating income (EBITDAF). FY23 figures have been restated.

² For FY23 comparison figures note that Unit generation costs are calculated excluding an onerous contract provision for AGS.

³ This includes market making activity and is reported outside of EBITDAF.

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q4 FY23	Q4 FY22
Climate Change	Greenhouse Gas (GHG) Emissions from generation assets ¹	kt CO ² -e	83	291
	GHG intensity of generation ²	kt CO ² -e / GWh	0.043	0.142
Water	Water Freshwater take ³	Million cubic metres	0.42	0.56
	Non-consumptive water usage ⁴	Million cubic metres	4,723	2,855
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	4.27	4.01
Biodiversity	Native rākau (trees) planted by Contact ⁵	#	6,707	7,947
	Pests caught ⁶	#	761	1,154
Community	Community initiatives and organisations supported	#	29	59
Inclusion and Diversity	Board	% Women/ % Men	57% / 43%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	20% / 80%
Inclusion and Diversity	Employee Gender balance ⁷	% Women/ % Men	46% / 53%	46% / 52%

Note: This information is updated quarterly (September, December, March, June)

¹ Scope 1 – Stationary combustion. In FY22 stationary combustion was 99.96% of Contact's total Scope 1 emissions

² Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market

³ Freshwater taken to support operations at geothermal and thermal

⁴ Water that flows through our Roxburgh power station and cooling water for our geothermal power stations

⁵ Does not include DrylandsCarbon/Forest Partners activities




⁶ Predominantly stoats, rats and possums

⁷ Includes all permanent, fixed term and casual employees. 1.2% and 1.4% unspecified in Q4 FY23 and Q4 FY22 respectively.



Keep in touch.

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