

# Monthly Operating Report

December 2020



Putting our energy where it matters

## December overview.

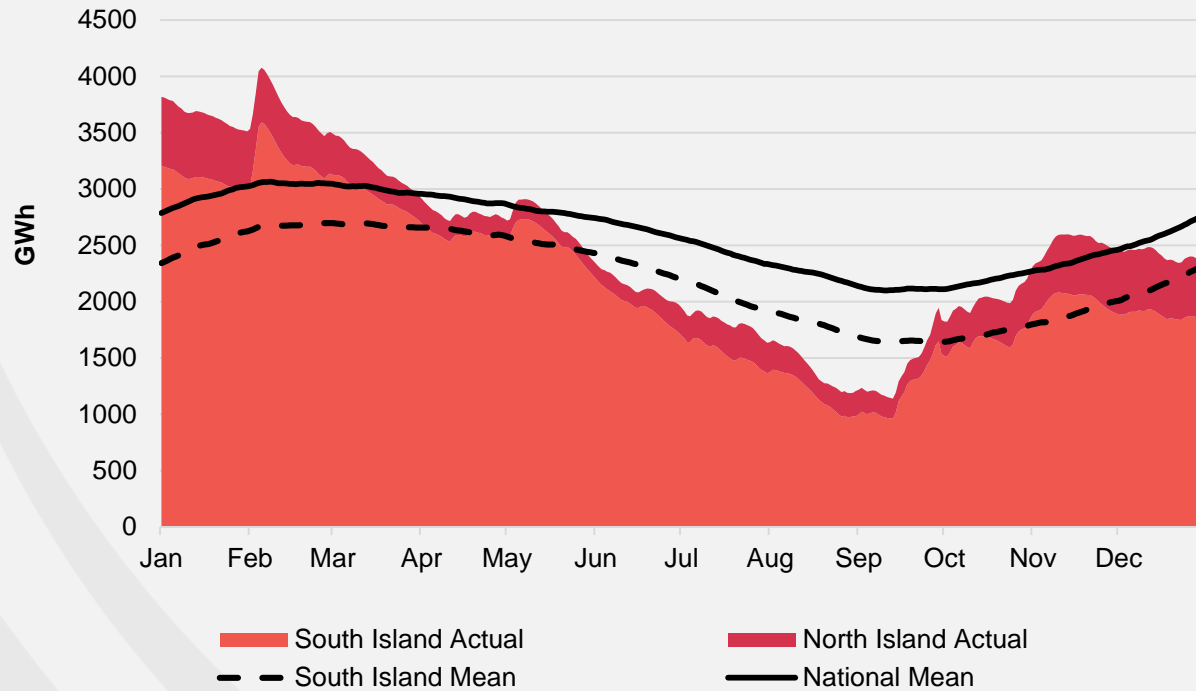
### For the month of December 2020

- » The Customer business recorded:
  - Mass market electricity and gas sales of 286 GWh (December 2019: 303 GWh)
  - Mass market electricity and gas netback of \$98.67/MWh (December 2019: \$89.89MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 582GWh (December 2019: 639GWh)
  - Electricity and steam net revenue of \$70.29/MWh (December 2019: \$69.64/MWh)
  - Electricity generated (or acquired) of 617 GWh (December 2019: 691 GWh)
  - The unit generation cost, which includes acquired generation was \$33.29/MWh (December 2019: \$30.13/MWh)
    - Own generation cost in the month of \$29.43/MWh (December 2019: \$27.58/MWh)
- » Otahuhu futures settlement wholesale price for the 2<sup>nd</sup> quarter of 2021 (ASX):
  - As at 18 January 2021: \$165/MWh
  - As at 31 December 2020: \$152/MWh
  - As at 30 November 2020: \$139/MWh
- » As at 18 January 2021, South Island controlled storage was 73% of mean (30 December 2020: 78%) and North Island controlled storage was 118% of mean (30 December 2020: 115%)
  - As at 18 January 2021, total Clutha scheme storage (including uncontrolled storage) was 70% of mean
  - Inflows into Contact's Clutha catchment for December 2020 were 56% of mean (November 2020: 80%, October 2020: 140%, September 2020: 157%, August 2020: 131%, July 2020: 149%)

# Hydro storage and forward prices.

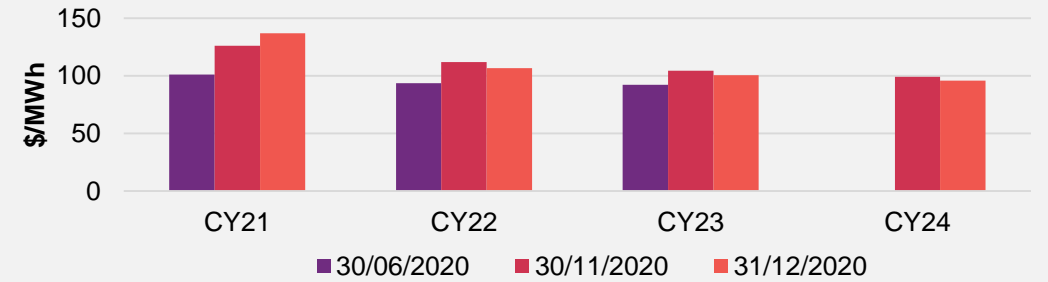
## New Zealand controlled hydro storage against mean

12 MONTHS

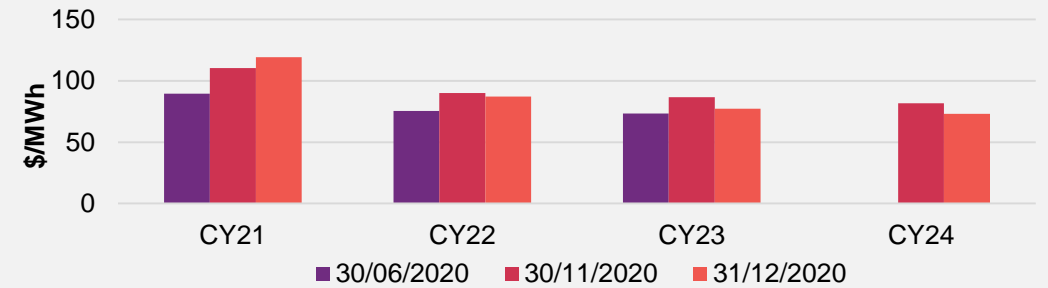


## ASX futures settlement

Otahuhu

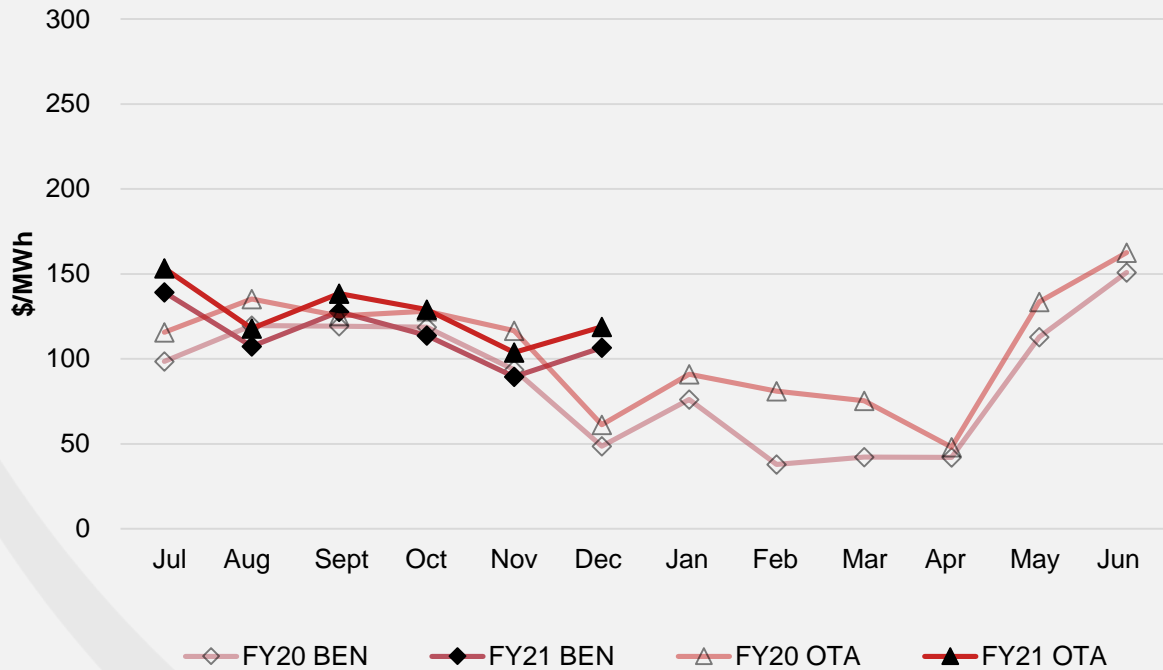


Benmore

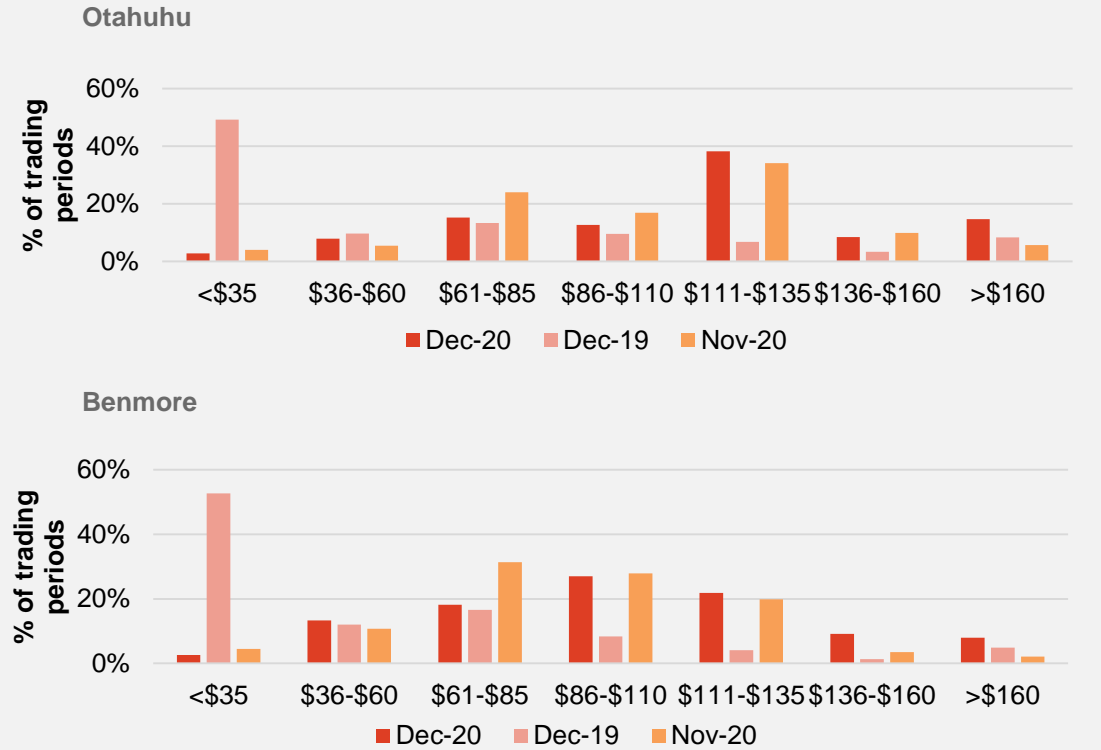


# Wholesale market.

## Wholesale electricity pricing



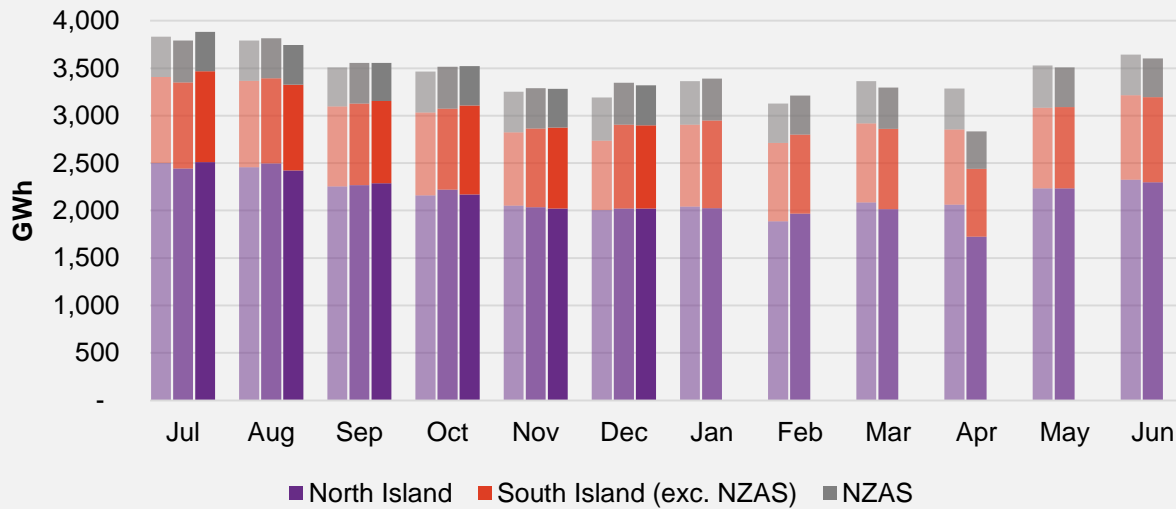
## Distribution of wholesale market price by trading periods



# Electricity demand.

## Total national demand

FY19, 20 and 21 respectively

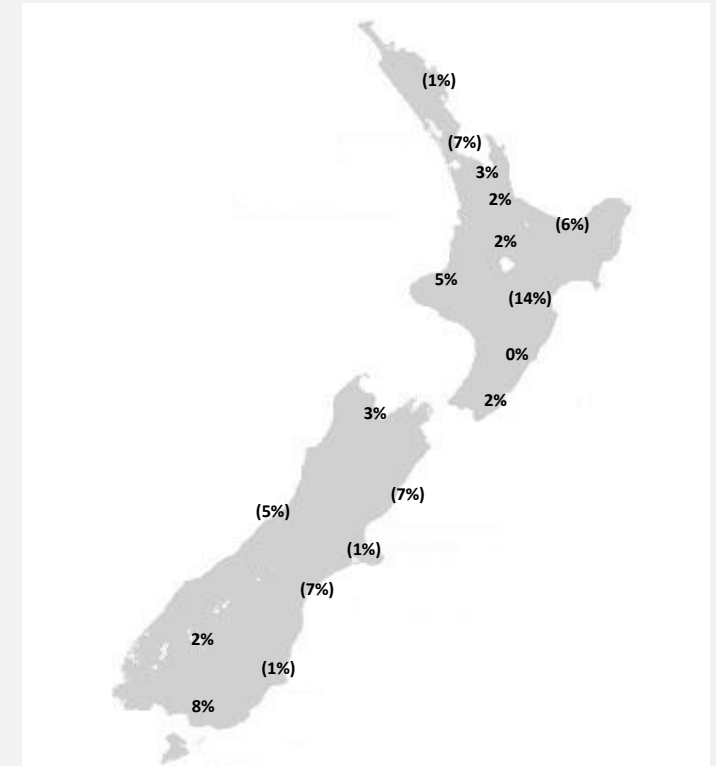


- » New Zealand electricity demand was down 0.9% on December 2019 (up 4% on December 2018):
  - Cumulative 12 months demand for Jan 2020 to Dec 2020 of 41,166 GWh is down 1.4% to the prior comparative period.

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

## Regional demand change (%) on December 2019

Nationwide temperatures for December 2020 were 15.8°, 0.2° lower than December 2019: 16°

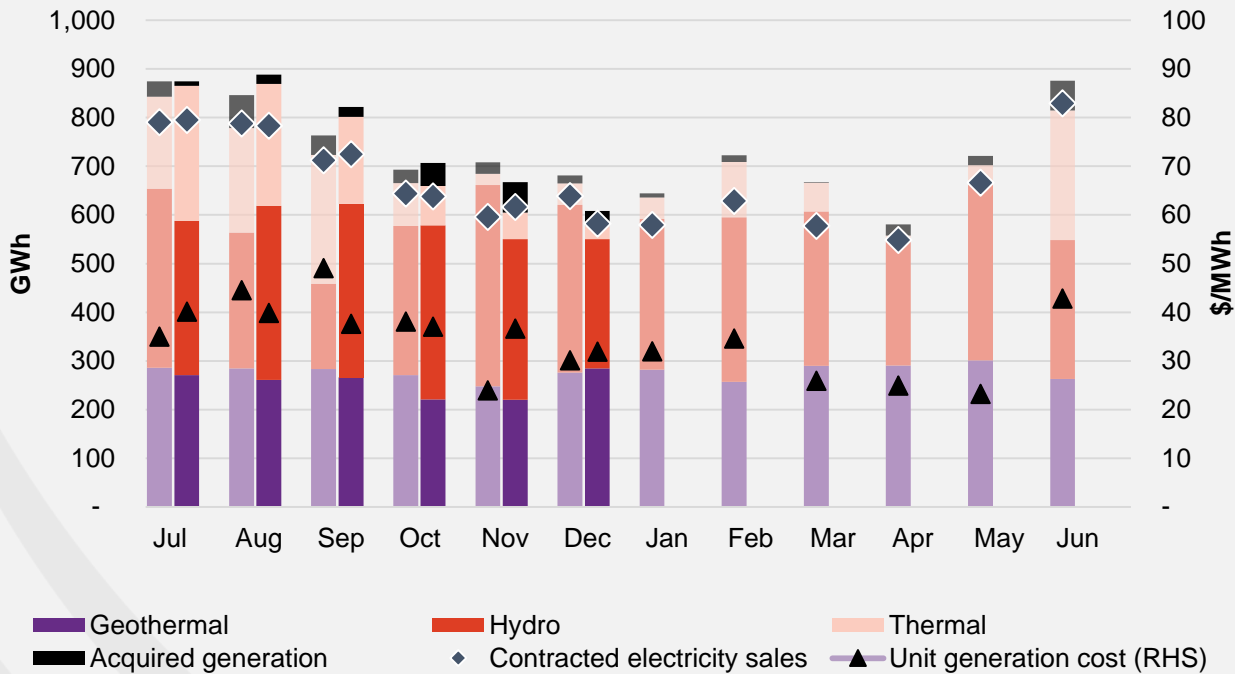


Regional demand is excluding NZAS

# Business performance.

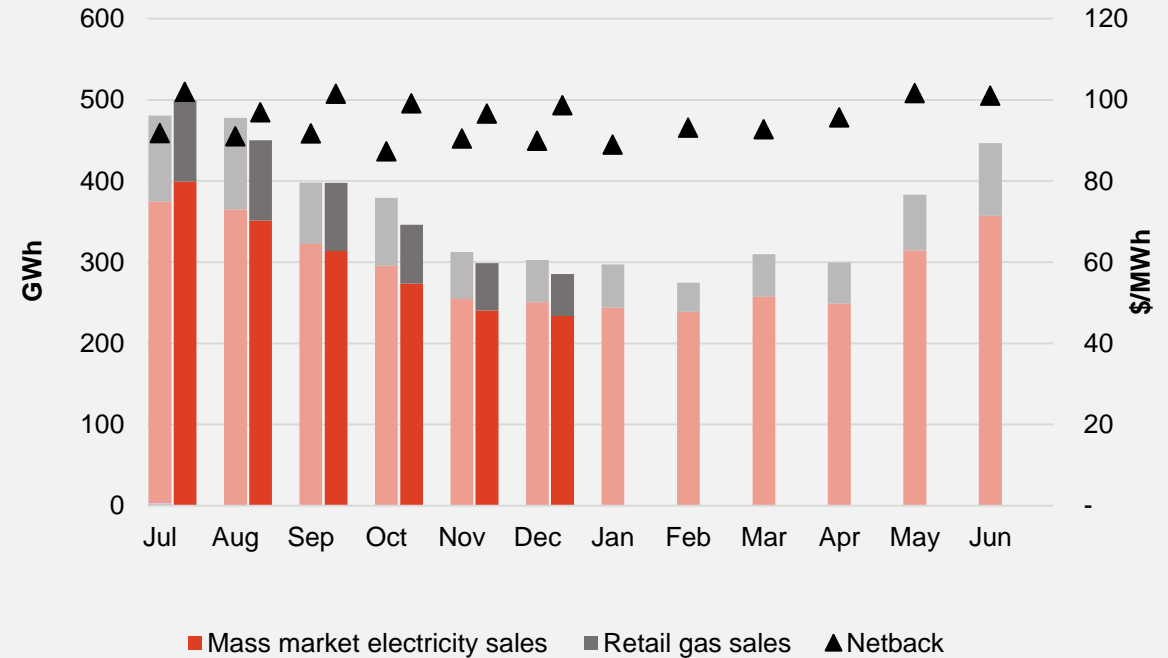
## Wholesale

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 December 20	The month ended December 19	The month ended November 20	Six months ended December 20	Six months ended December 19
Customer	Mass market electricity sales	GWh	234	251	241	1,813	1,861
	Retail gas sales	GWh	52	52	58	465	488
	Mass market electricity and gas sales	GWh	286	303	299	2,278	2,349
	Average electricity sales price	\$/MWh	256.13	249.17	252.55	245.84	242.02
	Electricity direct pass thru costs	\$/MWh	(120.78)	(125.05)	(114.60)	(109.82)	(117.06)
	Cost to serve	\$/MWh	(21.07)	(19.10)	(21.65)	(17.72)	(17.47)
	Customer netback	\$/MWh	98.67	89.89	96.58	99.33	90.47
	Energy cost	\$/MWh	(71.14)	(63.56)	(72.91)	(86.32)	(77.72)
	Actual electricity line losses	%	8%	4%	8%	7%	6%
	Retail gas sales	PJ	0.2	0.2	0.2	1.7	1.8
	Electricity ICPs	#	404,000	410,000	405,500	409,167	410,583
	Gas ICPs	#	64,000	65,500	64,500	64,417	65,917
	Broadband connections	#	38,000	20,000	36,000	33,000	17,167
Wholesale	Electricity sales to Customer business	GWh	253	262	260	1,959	1,986
	Electricity sales to Commercial and Industrial	GWh	171	197	181	982	1,202
	Electricity CFD sales	GWh	157	179	175	1,198	980
	Contracted electricity sales	GWh	582	639	616	4,138	4,168
	Steam sales	GWh	64	66	67	390	343
	Total electricity and steam net revenue	\$/MWh	70.29	69.64	73.59	84.00	77.92
	C&I netback (at the ICP)	\$/MWh	62.92	69.82	72.78	80.01	82.92
	C&I line losses	%	4%	5%	5%	4%	5%
	Thermal generation	GWh	27	44	54	870	825
	Geothermal generation	GWh	285	276	220	1,524	1,649
	Hydro generation	GWh	266	345	330	1,984	1,886
	Spot electricity sales	GWh	578	665	605	4,378	4,359
	Electricity sales - Direct	GWh	9	10	9	48	50
	Acquired generation	GWh	30	16	63	189	208
	<b>Electricity generated (or acquired)</b>	<b>GWh</b>	<b>617</b>	<b>691</b>	<b>676</b>	<b>4,615</b>	<b>4,617</b>
	Unit generation cost (including acquired generation)	\$/MWh	(33.29)	(30.13)	(36.61)	(37.69)	(37.12)
	Spot electricity purchases	GWh	(415)	(450)	(433)	(2,893)	(3,138)
	CFD sale settlements	GWh	(157)	(179)	(175)	(1,198)	(980)
	Spot exposed purchases / CFD settlement	GWh	(573)	(629)	(607)	(4,091)	(4,118)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	110.54	58.32	87.33	117.09	106.10
Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(116.31)	(63.00)	(96.94)	(125.10)	(111.97)	
LWAP/GWAP	%	105%	108%	111%	107%	106%	
Gas used in internal generation	PJ	0.5	0.6	0.7	8.2	7.9	
Gas storage net movement (extraction) / injection	PJ	(0.1)	0.6	(0.0)	(1.1)	0.5	

## Keep in touch.

### Investors

#### Matthew Forbes – GM Corporate Finance

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