

Monthly Operating Report

January 2023



January overview¹.

For the month of January 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 268GWh (January 2022: 276GWh)
 - Mass market netback of \$124.05/MWh (January 2022: \$105.93/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 570GWh (January 2022: 564GWh)
 - Electricity and steam net revenue of \$97.18/MWh (January 2022: \$83.71MWh)
 - Electricity generated (or acquired) of 577GWh (January 2022: 649GWh)
 - The unit generation cost, which includes acquired generation was \$38.30/MWh (January 2022: \$37.69/MWh)
 - Own generation cost in the month of \$38.30/MWh (January 2022: \$32.88/MWh)
- » Tauhara project progress vs. target for January 2023 was 84% vs. 85%²
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2023 (ASX):
 - As at 8 February 2023: \$202/MWh
 - As at 31 January 2023: \$215/MWh
 - As at 30 December 2022: \$253/MWh
- » As at 8 February 2023, South Island controlled storage was 104% of mean and North Island controlled storage was 173% of mean
 - As at 8 February 2023, total Clutha scheme storage was 99% of mean
 - Inflows into Contact's Clutha catchment for January 2023 were 50% of mean. (December 2022: 76%, November 2022: 117%, October 2022: 73%)
- » As at 9 February 2023, Contact's contracted gas volume (including contracted swaps) for the next 12 months is 13.19PJ³

Prior periods restated to account for metering costs, previously included within 'Cost to serve', have been reclassified to 'Electricity direct pass thru costs' to better reflect the direct nature of these costs and to improve comparability with the industry.

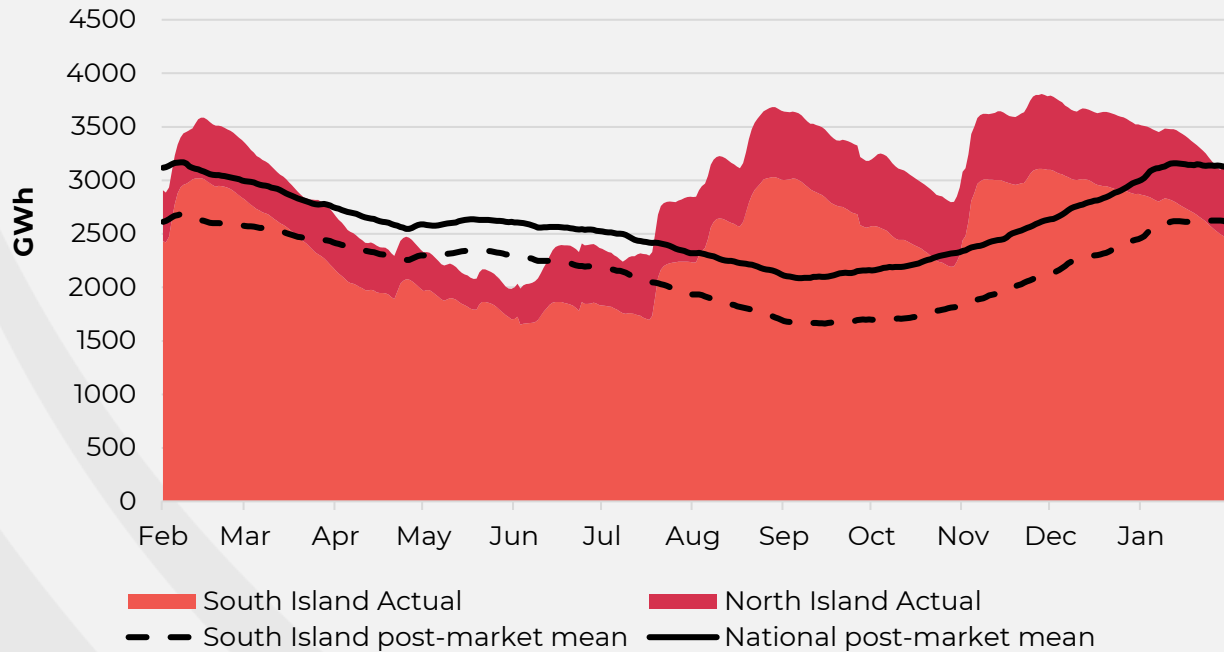
¹ All amounts in this operating report are shown excluding a \$120 million onerous contract provision (\$86 million after tax) for AGS.

² The progress target for Tauhara 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 project nears completion in Q4 of 2023.

³ Forecast gas volumes as notified by suppliers, actual gas received is dependent on field delivery. This excludes gas available at AGS.

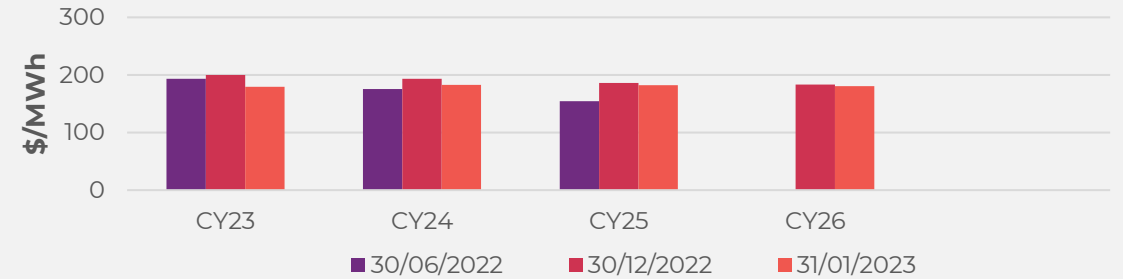
Hydro storage and forward prices.

New Zealand controlled hydro storage against mean
12 MONTHS

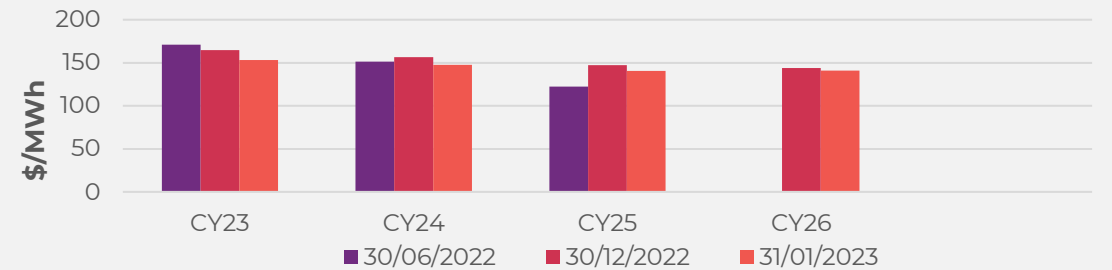


ASX futures settlement

Otahuhu

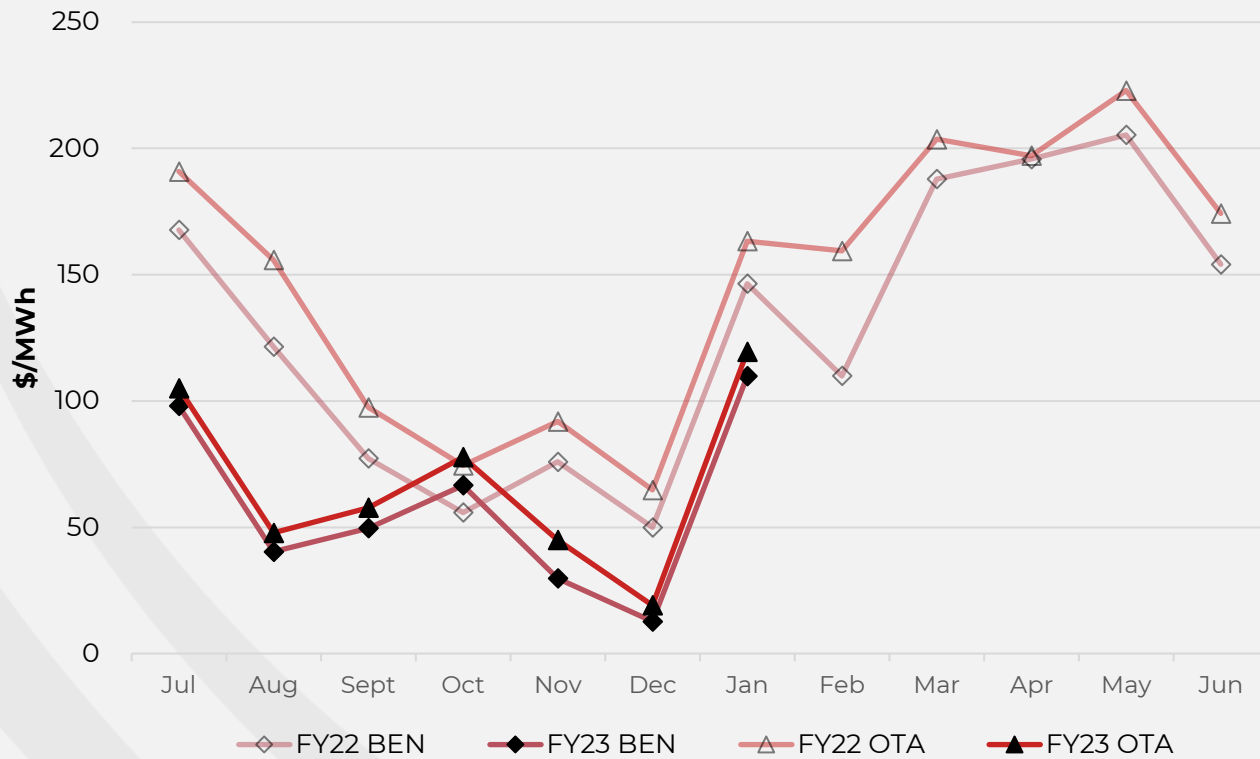


Benmore

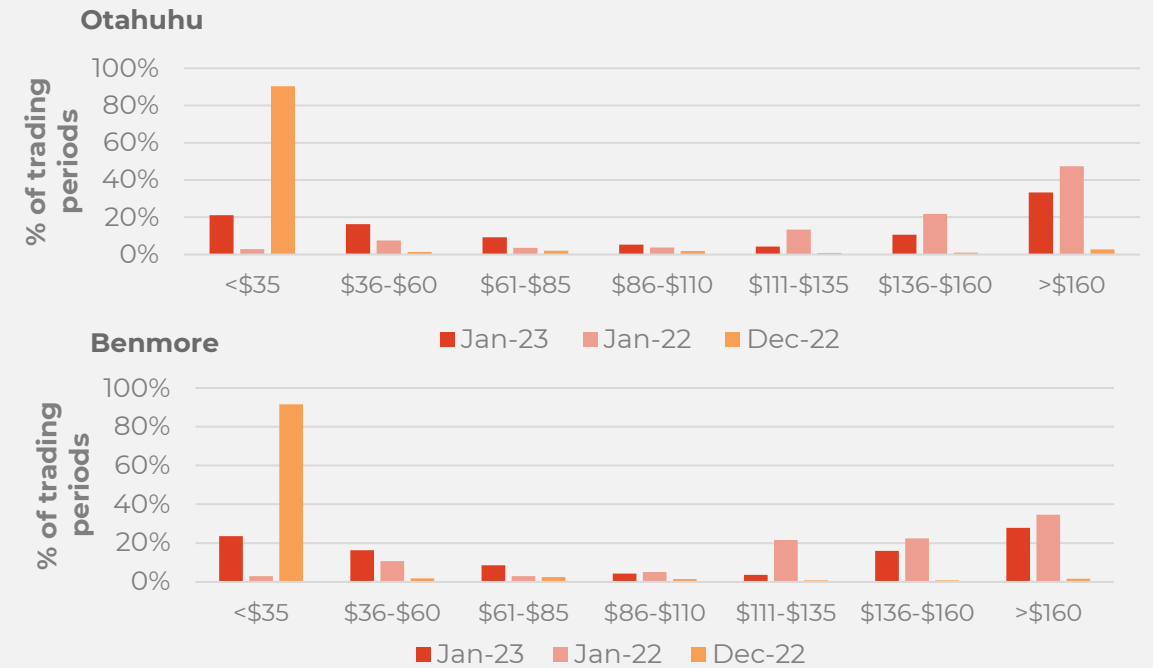


Wholesale market.

Wholesale electricity pricing



Distribution of wholesale market price by trading periods



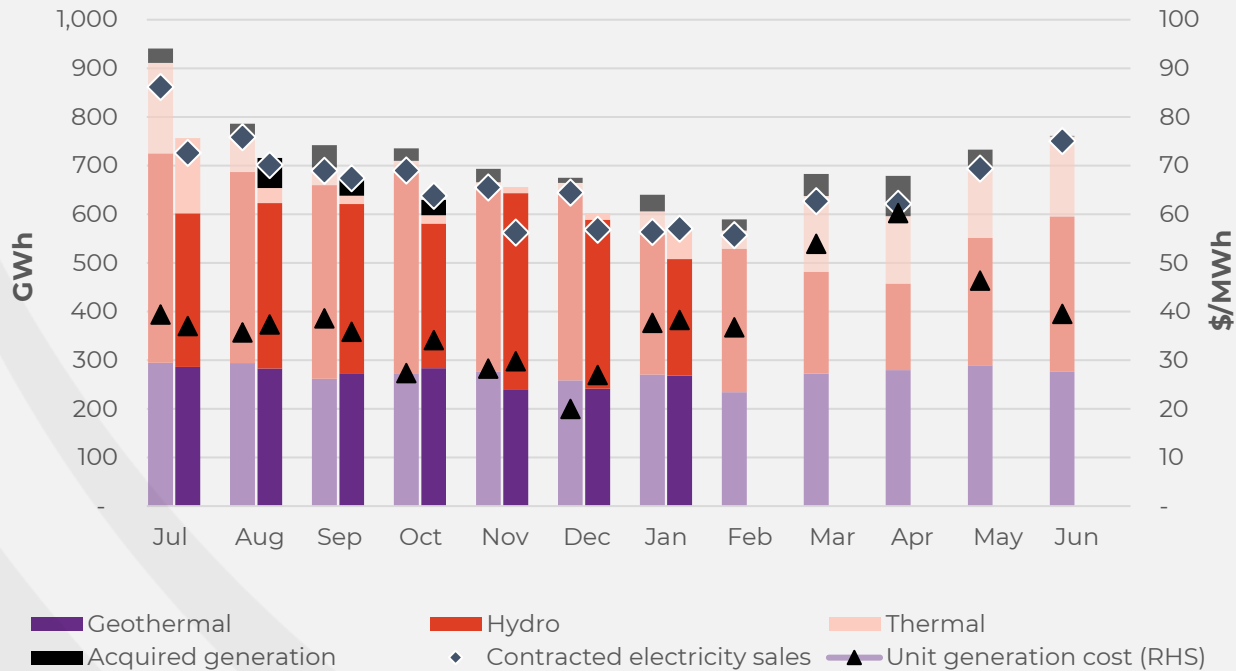
Electricity demand.

Information for January 2023 was not available at the time of preparing this operating report.

Business performance.

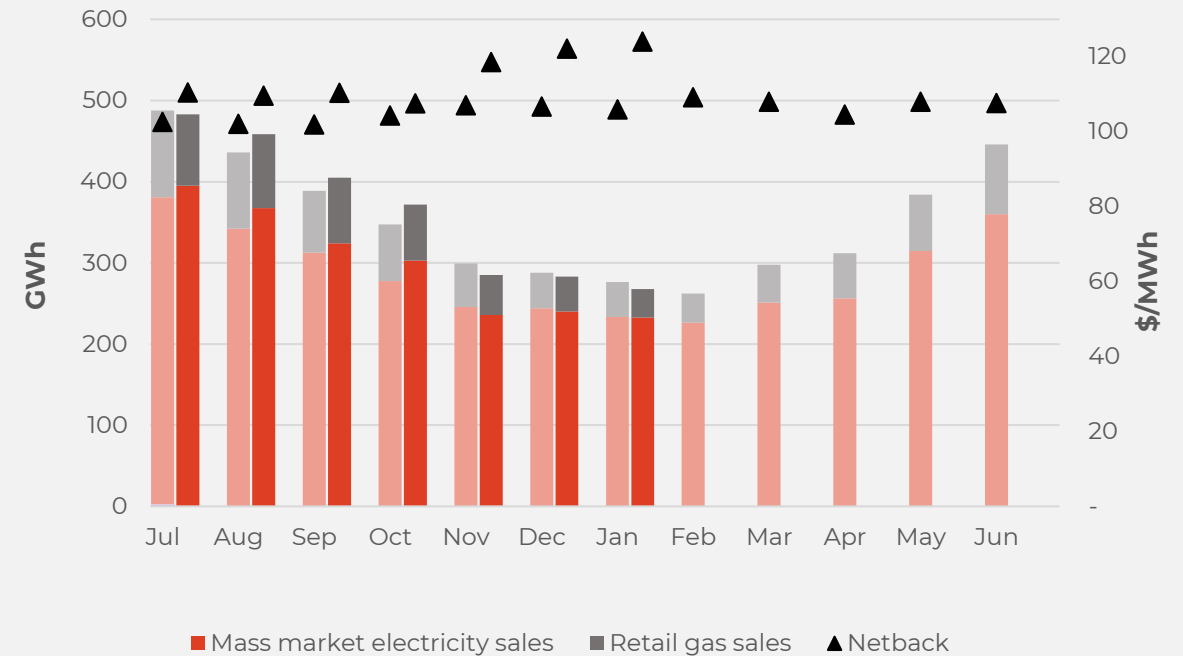
Wholesale

Generation mix, gross sales position and unit generation cost (FY22 and 23 respectively)



Retail

Retail sales volumes and netback (FY22 and 23 respectively)



Operational data.

	Measure	The month ended January 23	The month ended January 22	The month ended December 22	Seven months ending January 23	Seven months ending January 22	
Retail	Mass market electricity sales	GWh	232	233	240	2,098	2,033
	Retail gas sales	GWh	35	43	43	456	487
	Mass market electricity and gas sales	GWh	268	276	283	2,554	2,520
	Average electricity sales price	\$/MWh	290.23	263.17	284.66	262.19	250.45
	Electricity direct pass thru costs	\$/MWh	(135.10)	(127.33)	(133.09)	(119.00)	(116.65)
	Cost to serve	\$/MWh	(20.69)	(20.48)	(20.04)	(15.78)	(15.42)
	Customer netback	\$/MWh	124.05	105.93	122.17	113.50	104.00
	Energy cost	\$/MWh	(110.31)	(92.66)	(97.82)	(111.79)	(96.18)
	Actual electricity line losses	%	6%	6%	6%	6%	7%
	Retail gas sales	PJ	0.1	0.2	0.2	1.6	1.8
	Electricity ICPs	#	424,500	423,500	424,000	428,000	416,500
Gas ICPs	#	69,500	68,500	69,500	70,500	67,500	
Broadband connections	#	79,000	64,000	78,000	75,500	58,500	
Wholesale	Electricity sales to Customer business	GWh	248	249	256	2,237	2,177
	Electricity sales to Commercial and Industrial	GWh	135	116	140	961	834
	Electricity CFD sales	GWh	187	199	172	1,244	1,852
	Contracted electricity sales	GWh	570	564	568	4,442	4,864
	Steam sales	GWh	41	45	60	377	406
	Total electricity and steam net revenue	\$/MWh	97.18	83.71	84.10	99.93	98.72
	C&I netback (at the ICP)	\$/MWh	107.20	84.69	98.63	115.69	85.32
	C&I line losses	%	4%	2%	4%	4%	4%
	Thermal generation	GWh	61	48	14	307	408
	Geothermal generation	GWh	268	270	242	1,874	1,930
	Hydro generation	GWh	239	288	347	2,292	2,679
	Spot electricity sales	GWh	568	606	603	4,473	5,017
	Electricity sales – Direct	GWh	9	9	9	54	56
	Acquired generation	GWh	-	34	-	131	196
	Electricity generated (or acquired)	GWh	577	649	612	4,658	5,268
	Unit generation cost (including acquired generation) ¹	\$/MWh	(38.30)	(37.69)	(27.01)	(34.34)	(32.83)
	Spot electricity purchases	GWh	(374)	(357)	(387)	(3,144)	(2,956)
	CFD sale settlements	GWh	(187)	(199)	(172)	(1,244)	(1,852)
	Spot exposed purchases / CFD settlement	GWh	(562)	(555)	(559)	(4,388)	(4,808)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	114.66	152.34	17.51	64.83	109.62
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(128.89)	(164.45)	(21.94)	(73.47)	(118.58)
	LWAP/GWAP	%	112%	108%	125%	113%	108%
	Gas used in internal generation	PJ	0.8	0.7	0.4	4.2	5.0
Gas storage net movement (extraction) / injection	PJ	0.0	(0.1)	0.4	2.1	1.9	
Tauhara progress tracking actual (<i>target</i>)		84% (85%)	N/A	79% (74%)	N/A	N/A	
Contact	Total customer connections	#	579,000	562,000	577,000	579,500	550,000

¹ Unit generation costs is calculated excluding a \$120 million onerous contract provision (\$86 million after tax) for AGS.

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 FY23	Q2 FY22
Climate Change	Greenhouse Gas (GHG) Emissions from generation assets ¹	kt CO ² -e	111	118
	GHG intensity of generation ²	kt CO ² -e / GWh	0.060	0.058
Water	Water Freshwater take ³	Million cubic metres	0.60	0.76
	Non-consumptive water usage ⁴	Million cubic metres	4,630	4,801
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	2.90	3.58
Biodiversity	Native rakau (trees) planted by Contact ⁵	#	26,364	18,434
	Pests caught ⁶	#	643	1,893
Community	Community initiatives and organisations supported	#	22	23
Inclusion and Diversity	Board	% Women/ % Men	57% / 43%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	27% / 73%
Inclusion and Diversity	Employee Gender balance ⁷	% Women/ % Men	46% / 53%	45% / 54%

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. 1.4% and 0.5% unspecified in Q1 FY23 and Q1 FY22 respectively.

*Data has not historically been collected by quarter






Keep in touch.

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