Monthly Operating Report

May 2023

contact

May overview[1].

For the month of May 2023

» The Customer business recorded:
  - Mass market electricity and gas sales of 362GWh (May 2022: 384GWh)
  - Mass market netback of $127.11/MWh (May 2022: $108.00/MWh)

» The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 741GWh (May 2022: 694GWh)
  - Electricity and steam net revenue of $130.02/MWh (May 2022: $111.35MWh)
  - Electricity generated (or acquired) of 665GWh (May 2022: 736GWh)
  - The unit generation cost, which includes acquired generation was $29.34/MWh (May 2022: $46.38/MWh)
    - Own generation cost in the month of $27.55/MWh (May 2022: $42.14/MWh)

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 recognized in December 2022.

[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.

» Tauhara project progress vs. target for May 2023 was 95% vs. 96%[2].

» Otahuhu futures settlement wholesale price for the 3rd quarter of 2023 (ASX):
  - As at 13 June 2023: $150/MWh
  - As at 31 May 2023: $147/MWh
  - As at 28 April 2023: $177/MWh

» As at 11th June 2023, South Island controlled storage was 143% of mean and North Island controlled storage was 164% of mean
  - As at 11th June 2023, total Clutha scheme storage was 131% of mean
  - Inflows into Contact's Clutha catchment for May 2023 were 158% of mean. (April 2023: 94%, March 2023: 135%, February 2023: 119%)

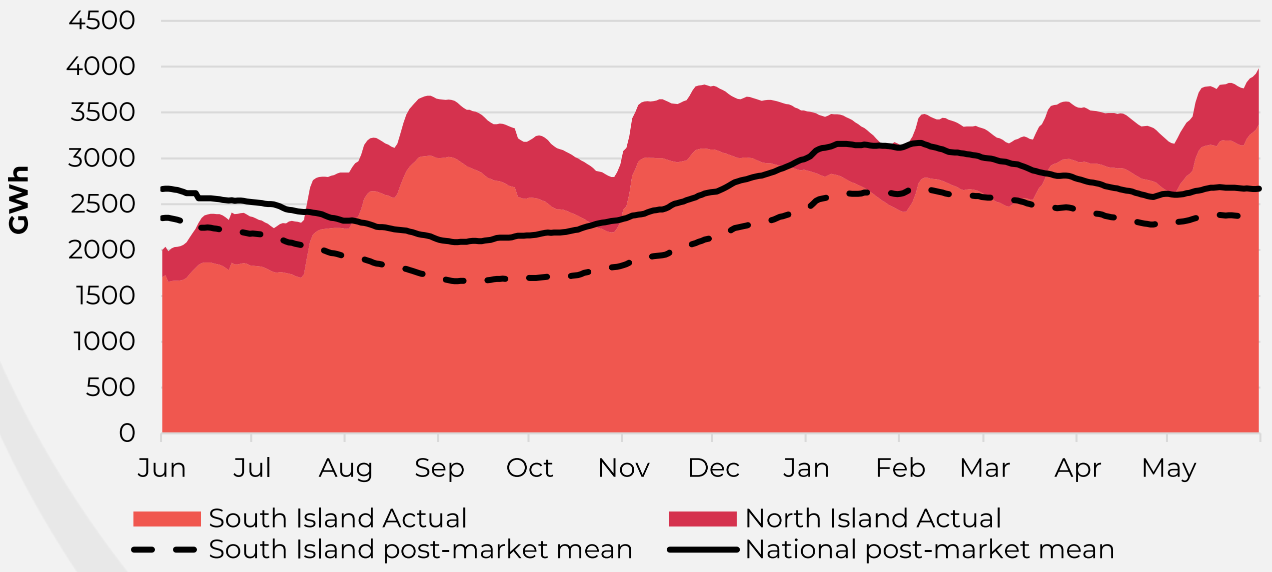
» Contact's contracted gas volume (including contracted swaps) for the next 12 months is 13.7PJ[3]

[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.

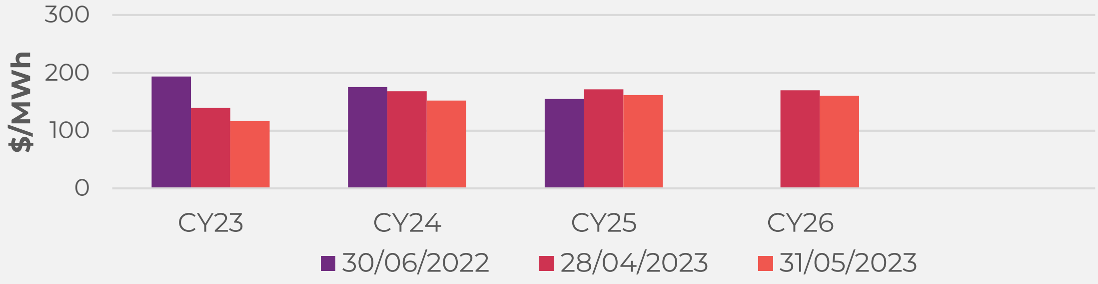
New Zealand controlled hydro storage against mean

12 MONTHS



ASX futures settlement

Otahuhu



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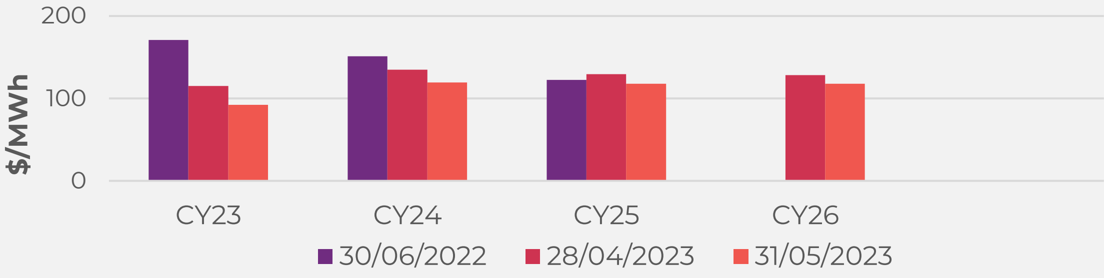
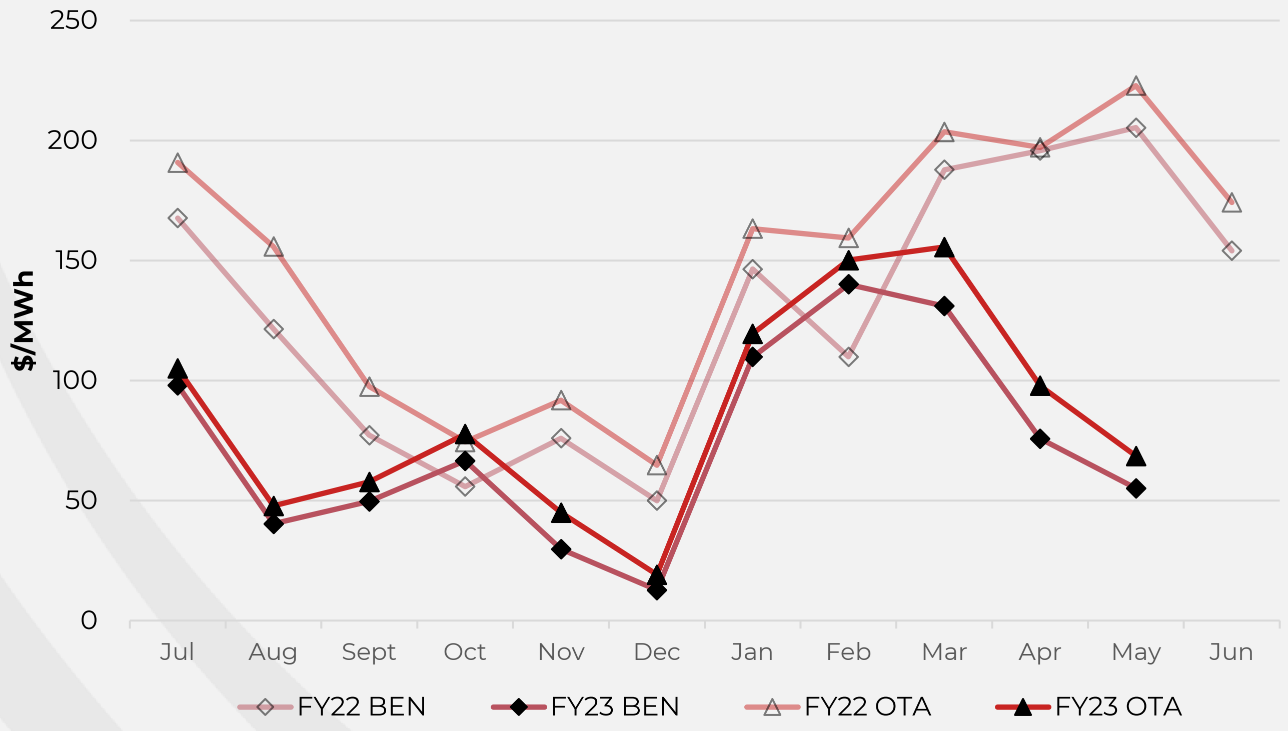
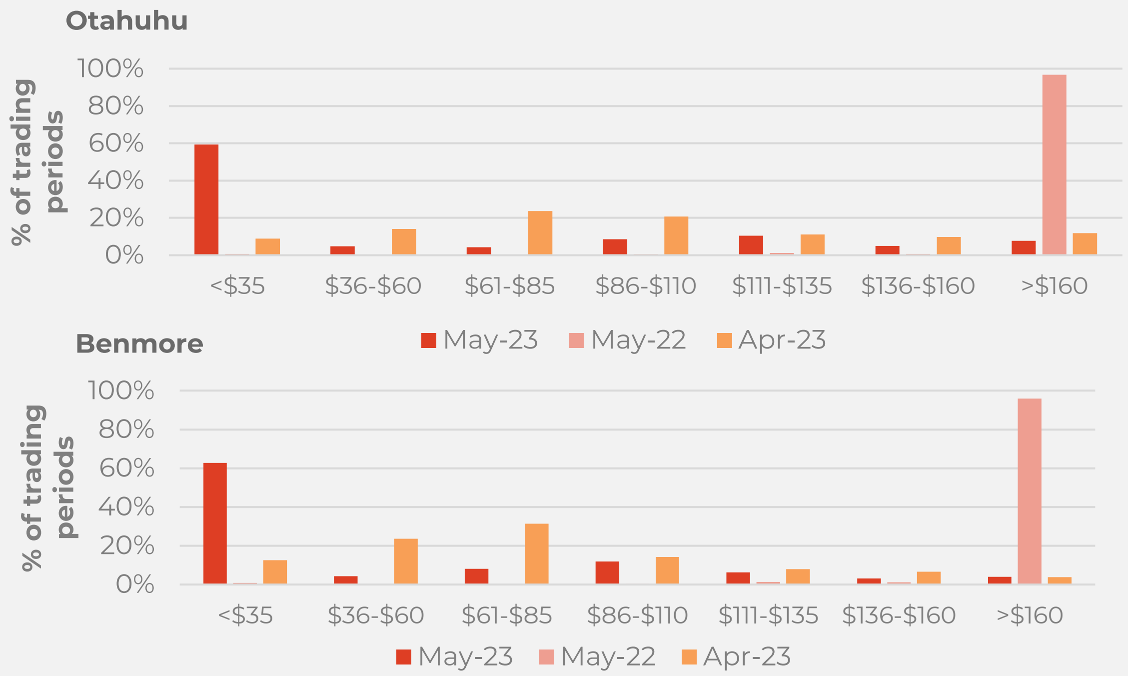


Wholesale market.

Wholesale electricity pricing



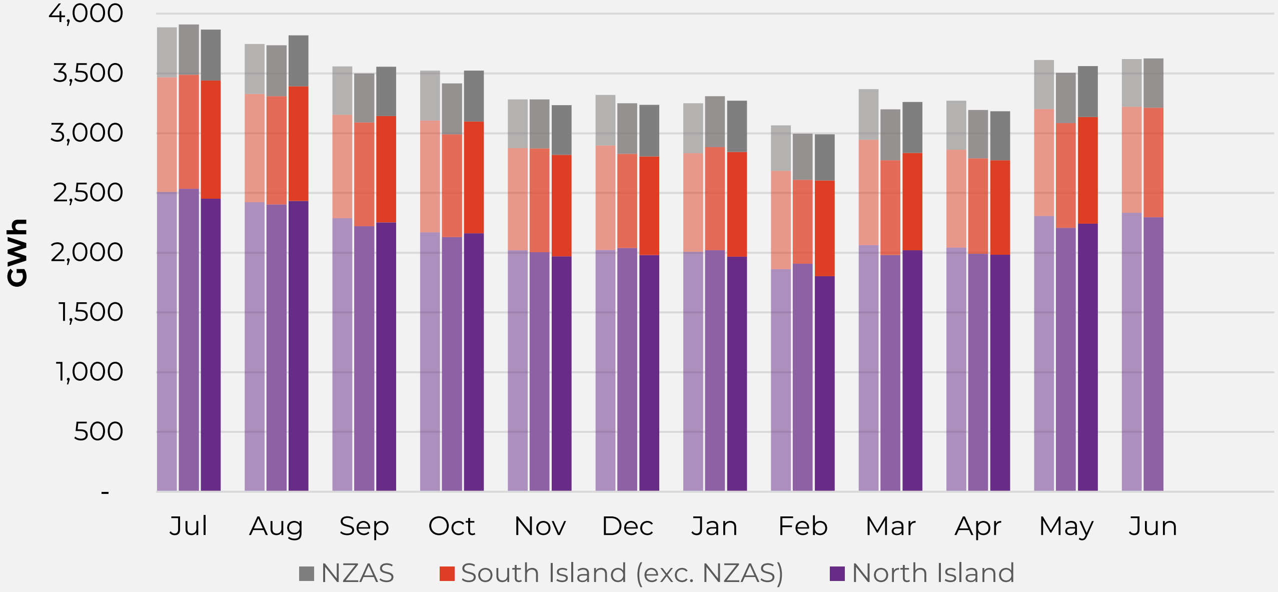
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

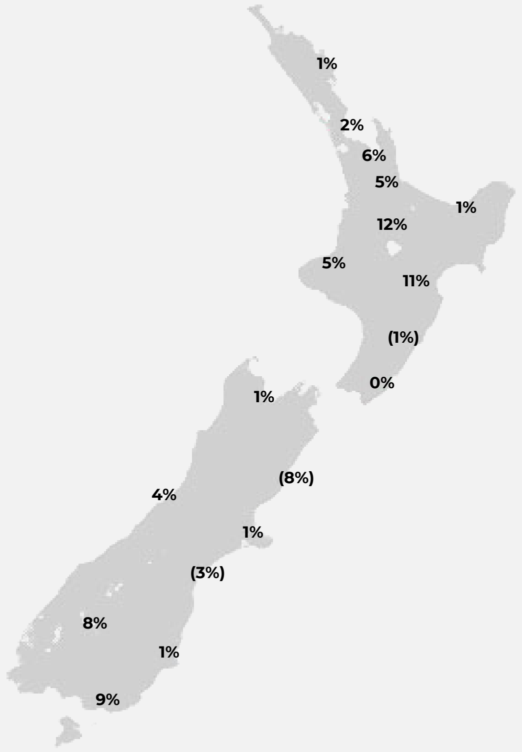
FY21, 22 and 23 respectively



» New Zealand electricity demand was up 1.6% on May 2022 (down 1.4% on May 2021)

Regional demand change (%) on May 2022

The nationwide average temperature for May 2023 was 13.1°C, 0.5°C warmer than May 2022: 12.6°C



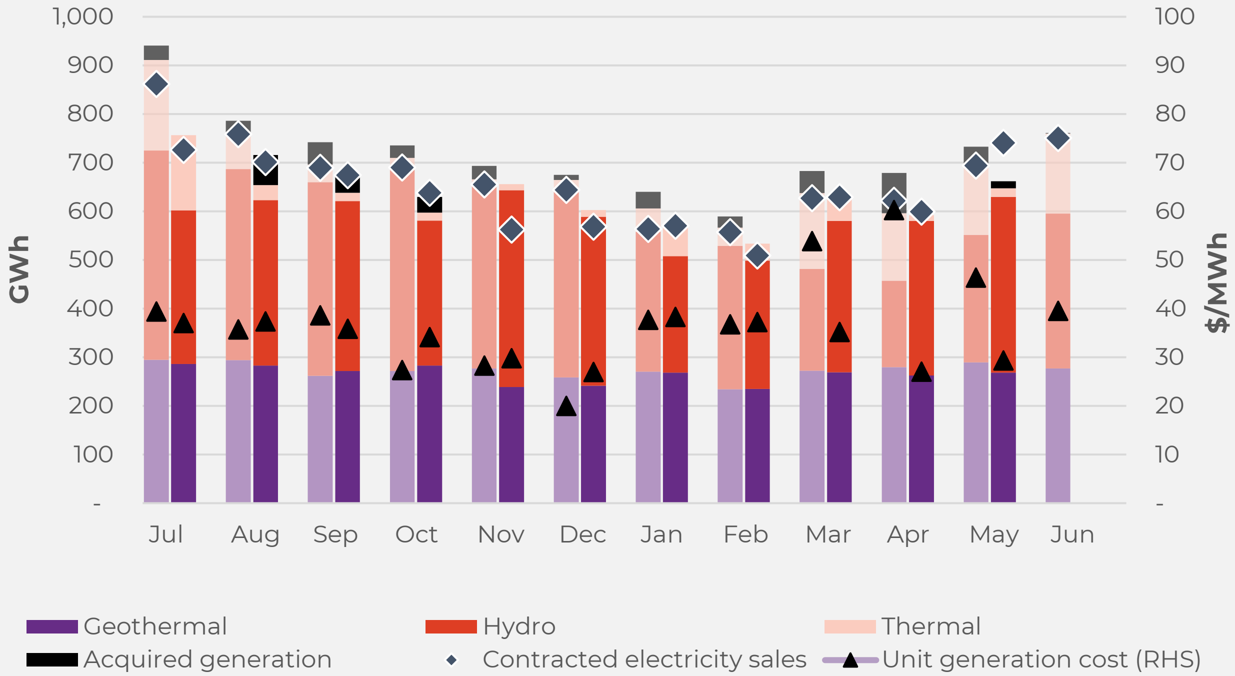
Source: Contact and Electricity Authority grid demand (reconciled) http://www.emi.ea.govt.nz

Regional demand is excluding NZAS

Business performance.

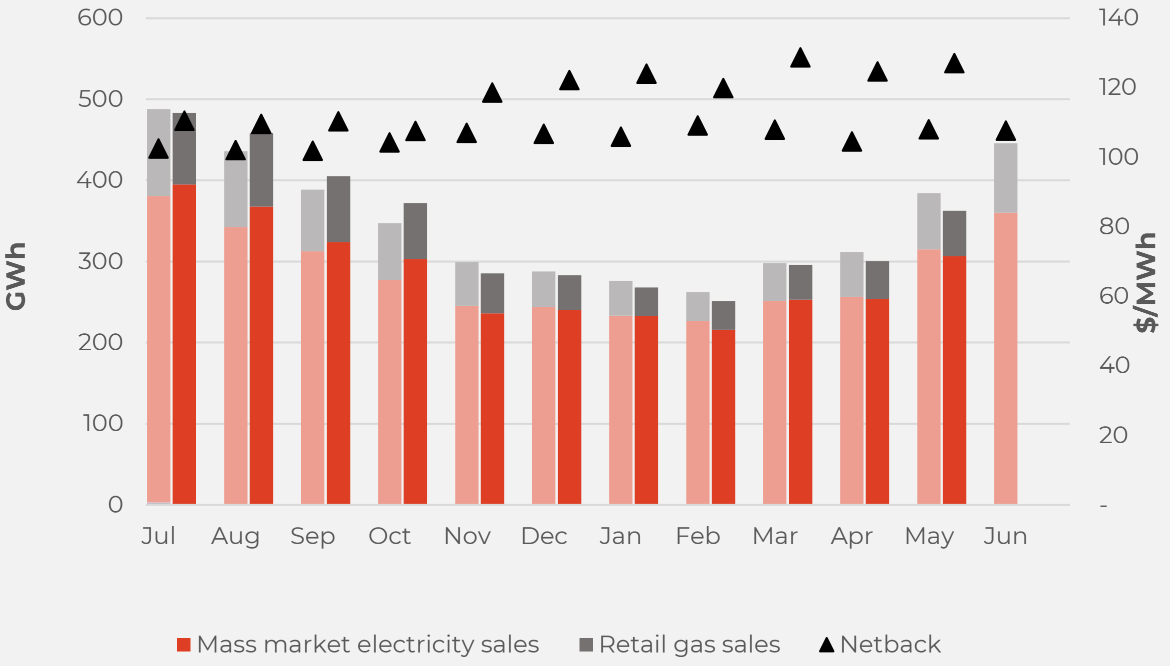
Wholesale

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 May 23	The month ended May 22	The month ended April 23	Eleven months ending May 23	Eleven months ending May 22
Retail	Mass market electricity sales	GWh	307	315	254	3,128	3,082
	Retail gas sales	GWh	56	69	46	636	694
	Mass market electricity and gas sales	GWh	362	384	300	3,764	3,776
	Average electricity sales price	$/MWh	279.34	252.17	288.33	269.56	252.94
	Electricity direct pass thru costs	$/MWh	(124.16)	(117.57)	(133.85)	(122.21)	(118.75)
	Cost to serve	$/MWh	(16.34)	(15.31)	(17.70)	(16.76)	(16.47)
	Customer netback	$/MWh	127.11	108.00	124.68	117.33	105.13
	Energy cost	$/MWh	(146.62)	(112.18)	(121.91)	(117.78)	(99.25)
	Actual electricity line losses	%	8%	7%	5%	7%	7%
	Retail gas sales	PJ	0.2	0.2	0.2	2.3	2.5
	Electricity ICPs	#	426,500	430,500	426,000	427,500	421,000
	Gas ICPs	#	70,000	71,000	70,000	70,000	68,500
	Broadband connections	#	85,000	69,000	84,000	78,500	61,500
Wholesale	Electricity sales to Customer business	GWh	334	338	268	3,345	3,307
	Electricity sales to Commercial and Industrial	GWh	127	131	118	1,469	1,331
	Electricity CFD sales	GWh	281	225	214	2,107	2,725
	Contracted electricity sales	GWh	741	694	600	6,921	7,363
	Steam sales	GWh	31	25	46	567	577
	Total electricity and steam net revenue	$/MWh	130.02	111.35	112.68	105.47	99.21
	C&I netback (at the ICP)	$/MWh	131.01	132.28	113.49	117.07	96.35
	C&I line losses	%	4%	4%	4%	4%	5%
	Thermal generation	GWh	18	141	12	421	881
	Geothermal generation	GWh	269	289	263	2,910	3,006
	Hydro generation	GWh	361	262	318	3,546	3,622
	Spot electricity sales	GWh	648	692	592	6,877	7,509
	Electricity sales – Direct	GWh	3	3	5	77	79
	Acquired generation	GWh	14	41	-	145	388
	Electricity generated (or acquired)	GWh	665	736	597	7,099	7,976
	Unit generation cost (including acquired generation)[1]	$/MWh	(29.34)	(46.38)	(27.08)	(33.56)	(38.56)
	Spot electricity purchases	GWh	(457)	(466)	(381)	(4,738)	(4,560)
	CFD sale settlements	GWh	(281)	(225)	(214)	(2,107)	(2,725)
	Spot exposed purchases / CFD settlement	GWh	(738)	(691)	(595)	(6,844)	(7,285)
	Spot revenue and settlement on acquired generation (GWAP)	$/MWh	68.91	208.87	87.89	80.95	135.54
	Spot purchases and settlement on CFDs sold (LWAP)	$/MWh	(72.50)	(219.35)	(92.46)	(88.71)	(145.65)
	LWAP/GWAP	%	105%	105%	105%	110%	107%
	Gas used in internal generation	PJ	0.3	1.3	0.3	6.0	9.5
	Gas storage net movement (extraction) / injection	PJ	0.2	(0.9)	0.5	2.9	(0.1)
	Tauhara progress tracking actual *(target)*		95% *(96%)*	N/A	94% (95%)	N/A	N/A
Contact	Total customer connections	#	587,000	577,000	586,000	581,500	558,000

[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	Q3 FY23	Q3 FY22
Climate Change	Greenhouse Gas (GHG) Emissions from generation assets[1]	kt CO^2-e	157	236
	GHG intensity of generation[2]	kt CO^2-e / GWh	0.091	0.131
Water	Water Freshwater take[3]	Million cubic metres	0.52	0.58
	Non-consumptive water usage[4]	Million cubic metres	3,256	3,138
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	3.70	3.06
Biodiversity	Native rakau (trees) planted by Contact[5]	#	1,000	-
	Pests caught[6]	#	810	989
Community	Community initiatives and organisations supported	#	10	15
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% / 53%

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. 1.3% and 1% unspecified in Q3 FY23 and Q3 FY22 respectively.

Keep in touch.

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