

Monthly Operating Report

June 2023



June overview¹.

For the month of June 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 430GWh (June 2022: 446GWh)
 - Mass market netback of \$123.07/MWh (June 2022: \$107.68/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 757GWh (June 2022: 751GWh)
 - Electricity and steam net revenue of \$161.93/MWh (June 2022: \$126.00MWh)
 - Electricity generated (or acquired) of 672GWh (June 2022: 763GWh)
 - The unit generation cost, which includes acquired generation was \$27.28MWh (June 2022: \$39.53/MWh)
 - Own generation cost in the month of \$26.94/MWh (June 2022: \$38.89/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 an onerous contract provision for AGS recognized in December 2022.

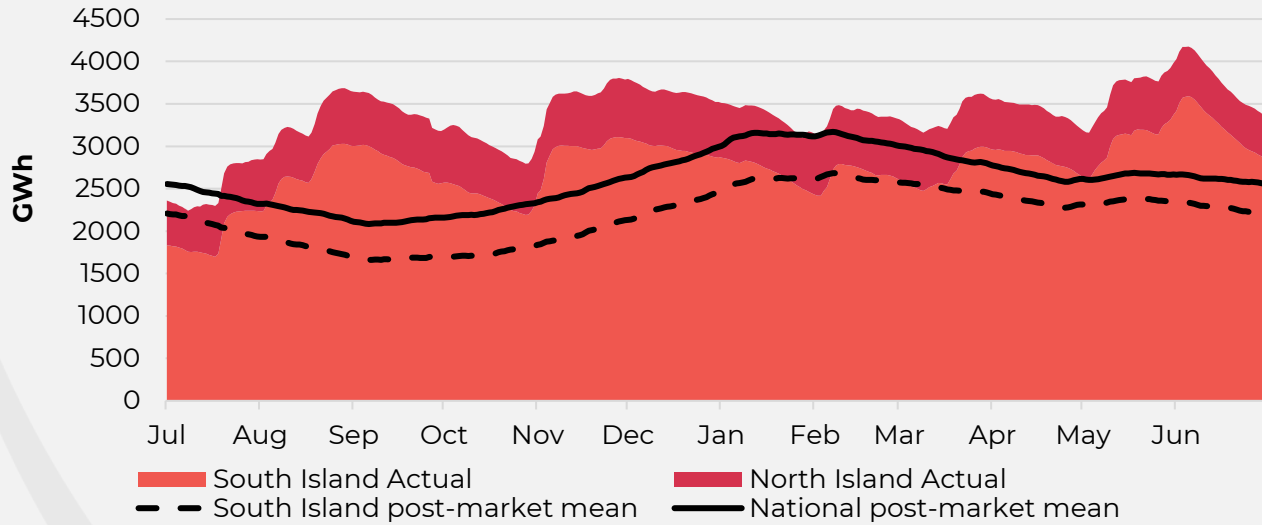
² The progress target for Tauhara follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the project nears completion in Q4 of 2023.

- » Tauhara project progress vs. target for June 2023 was 96% vs. 96%².
- » Otahuhu futures settlement wholesale price for the 4th quarter of 2023 (ASX):
 - As at 17 July 2023: \$97/MWh
 - As at 30 June 2023: \$97/MWh
 - As at 31 May 2023: \$94/MWh
- » As at 17th July 2023, South Island controlled storage was 124% of mean and North Island controlled storage was 123% of mean
 - As at 17th July 2023, total Clutha scheme storage was 76% of mean
 - Inflows into Contact's Clutha catchment for June 2023 were 128% of mean. (May 2023: 158%, April 2023: 94%, March 2023: 135%)
- » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 13.8PJ³

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

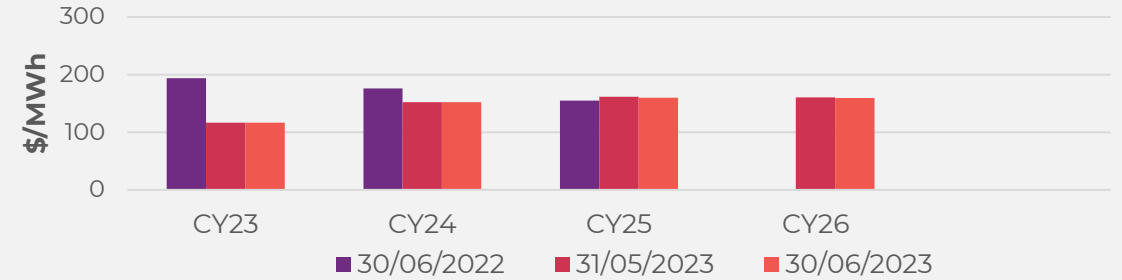
Hydro storage and forward prices.

New Zealand controlled hydro storage against mean
12 MONTHS

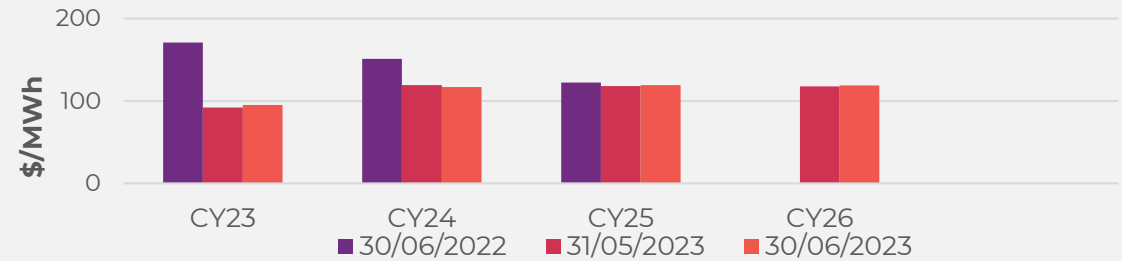


ASX futures settlement

Otahuhu

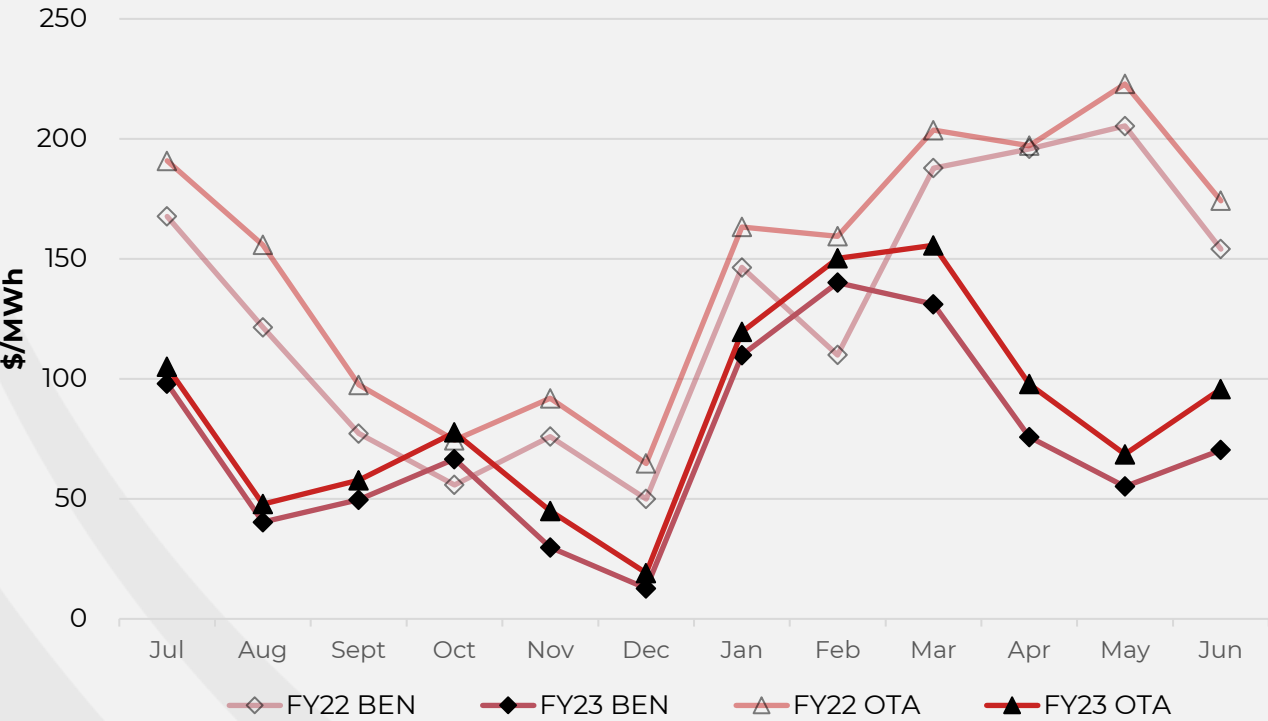


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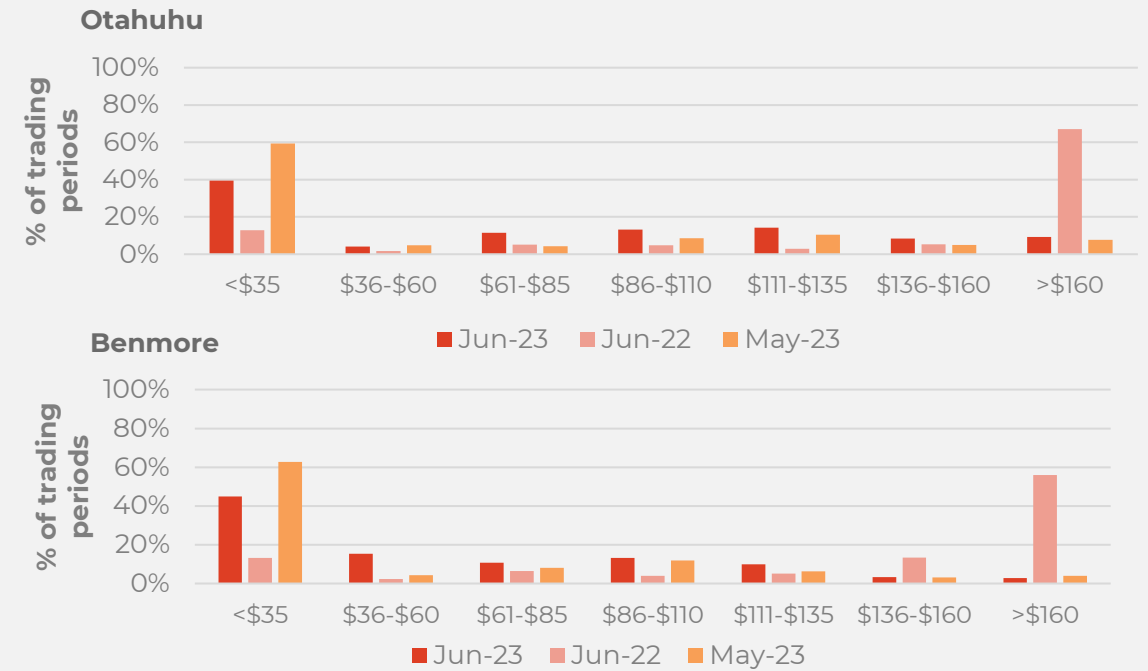


Wholesale market.

Wholesale electricity pricing



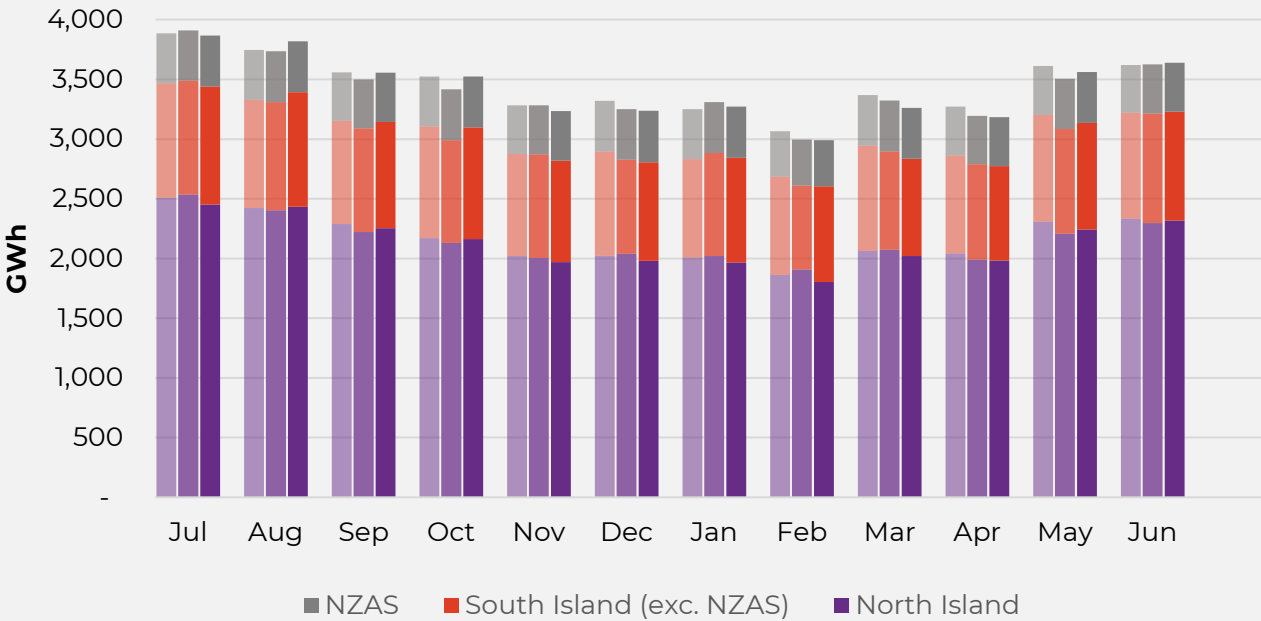
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

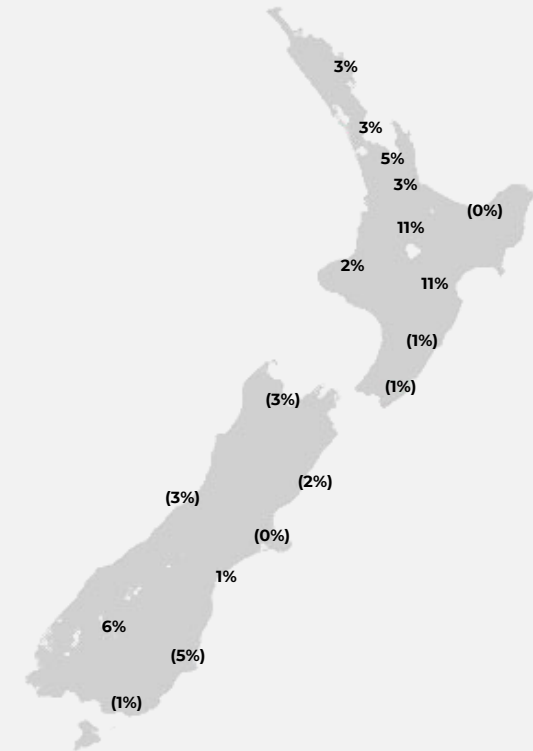
FY21, 22 and 23 respectively



» New Zealand electricity demand was up 0.3% on June 2022 (up 0.5% on June 2021)

Regional demand change (%) on June 2022

The nationwide average temperature for June 2023 was 10.1°C, 0.2°C warmer than June 2022: 9.9°C



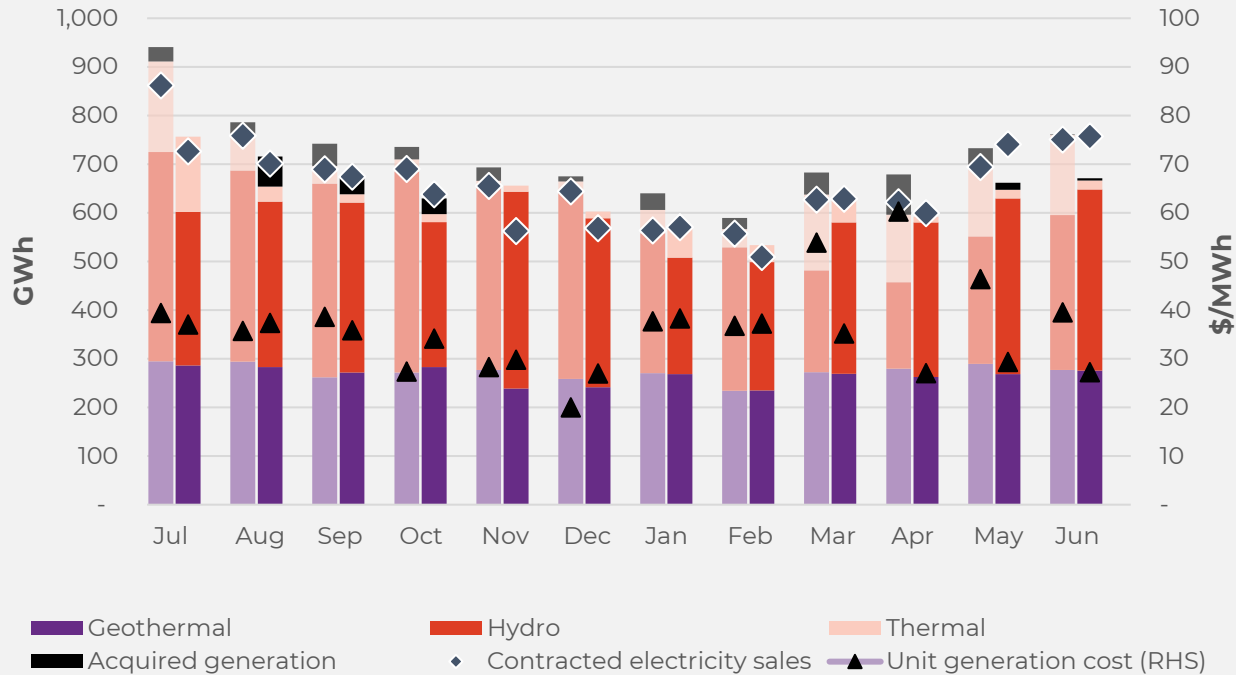
Regional demand is excluding NZAS

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

Business performance.

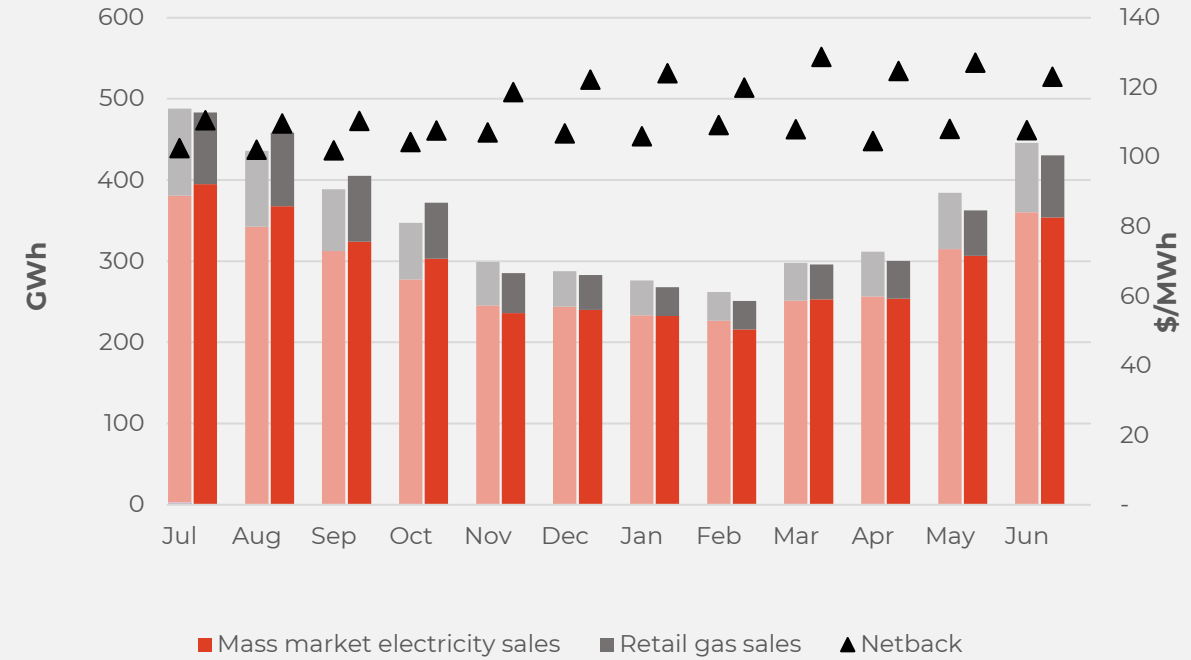
Wholesale

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



Retail

Retail sales volumes and netback (FY22 and 23 respectively)



Operational data.

		Measure	The month ended June 23	The month ended June 22	The month ended May 23	Twelve months ending June 23	Twelve months ending June 22
Retail	Mass market electricity sales	GWh	354	360	307	3,481	3,442
	Retail gas sales	GWh	76	86	56	713	780
	Mass market electricity and gas sales	GWh	430	446	362	4,194	4,222
	Average electricity sales price	\$/MWh	266.09	248.71	279.34	269.20	252.50
	Electricity direct pass thru costs	\$/MWh	(114.17)	(111.56)	(124.16)	(121.39)	(117.99)
	Cost to serve	\$/MWh	(14.21)	(13.28)	(16.34)	(16.50)	(16.14)
	Customer netback	\$/MWh	123.07	107.68	127.11	117.92	105.40
	Energy cost	\$/MWh	(151.15)	(119.04)	(146.62)	(121.20)	(101.34)
	Actual electricity line losses	%	7%	6%	8%	7%	7%
	Retail gas sales	PJ	0.3	0.3	0.2	2.6	2.8
	Electricity ICPs	#	428,000	431,500	426,500	427,500	422,000
	Gas ICPs	#	70,000	71,000	70,000	70,000	68,500
	Broadband connections	#	86,000	71,000	85,000	79,000	62,500
Wholesale	Electricity sales to Customer business	GWh	382	382	334	3,727	3,689
	Electricity sales to Commercial and Industrial	GWh	107	122	127	1,577	1,454
	Electricity CFD sales	GWh	268	247	281	2,375	2,972
	Contracted electricity sales	GWh	757	751	741	7,678	8,114
	Steam sales	GWh	20	18	31	587	595
	Total electricity and steam net revenue ¹	\$/MWh	161.93	126.00	130.02	110.88	101.57
	C&I netback (at the ICP)	\$/MWh	144.05	138.29	131.01	118.99	99.93
	C&I line losses	%	4%	8%	4%	4%	5%
	Thermal generation	GWh	19	165	18	439	1,046
	Geothermal generation	GWh	276	277	269	3,185	3,283
	Hydro generation	GWh	372	318	361	3,919	3,940
	Spot electricity sales	GWh	667	760	648	7,544	8,269
	Electricity sales – Direct	GWh	1	2	3	78	81
	Acquired generation	GWh	5	1	14	150	389
	Electricity generated (or acquired)	GWh	672	763	665	7,772	8,739
	Unit generation cost (including acquired generation) ²	\$/MWh	(27.28)	(39.53)	(29.34)	(33.02)	(38.65)
	Spot electricity purchases	GWh	(488)	(502)	(457)	(5,226)	(5,062)
	CFD sale settlements	GWh	(268)	(247)	(281)	(2,375)	(2,972)
	Spot exposed purchases / CFD settlement	GWh	(756)	(748)	(738)	(7,600)	(8,033)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	93.74	159.34	68.91	82.06	137.63
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(95.86)	(172.77)	(72.50)	(89.42)	(148.18)
	LWAP/GWAP	%	102%	108%	105%	109%	108%
	Gas used in internal generation	PJ	0.2	1.3	0.3	6.2	10.9
	Gas storage net movement (extraction) / injection	PJ	0.2	(0.9)	0.2	3.0	(1.0)
				96% (96%)	N/A	95% (96%)	N/A
Contact	Total customer connections	#	590,000	579,000	587,000	582,000	560,000

¹ From the month of June 2023 onward, Contact has applied updated IFRIC 9 guidance and market making activity is now excluded from operating income (EBITDAF). Prior period adjustments have not yet been made in the operating information. The impact of the change will be an increase to EBITDAF in FY23 of \$20m for the July to May 2023 period (FY22: +\$10m); ² Unit generation costs are calculated excluding the impact of an onerous contract provision for AGS. The net impact of this onerous contract on FY23 EBITDAF is provisionally -\$113m. ³ Contact recognised a gain on sale of Te Rapa of \$7m in June.

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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