

Monthly Operating Report

September 2023



September overview.

For the month of September 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 371GWh (September 2022: 405GWh)
 - Mass market netback of \$119.88/MWh (September 2022: \$110.35MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 689GWh (September 2022: 675GWh)
 - Electricity and steam net revenue of \$127.96/MWh (September 2022: \$102.06MWh)
 - Electricity generated (or acquired) of 784GWh (September 2022: 684GWh)
 - The unit generation cost, which includes acquired generation was \$54.22MWh (September 2022: \$35.85/MWh)
 - Own generation cost in the month of \$47.71/MWh (September 2022: \$30.24/MWh)
- » Tauhara project progress vs. target for September 2023 was 98% vs. 99%¹.
- » In September we advised that the target online date for Tauhara has moved from Q4 2023 to Q1 2024. This extension is required as we work through a range of commissioning issues including the remediation of steam-field valves and the implications of a steam hammer event.
- » Te Huka 3 project progress vs. target for September 2023 was 61% vs. 59%¹.
- » Otahuhu futures settlement wholesale price for the 4th quarter of 2023 (ASX):
 - As at 16 October 2023: \$120/MWh
 - As at 29 September 2023: \$98/MWh
 - As at 31 August 2023: \$144/MWh
- » As at 16th October 2023, South Island controlled storage was 111% of mean and North Island controlled storage was 100% of mean
 - As at 16th October 2023, total Clutha scheme storage was 88% of mean
 - Inflows into Contact's Clutha catchment for September 2023 were 166% of mean. (August 2023: 61%, July 2023: 49%, June 2023: 128%)
- » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 10.8PJ²

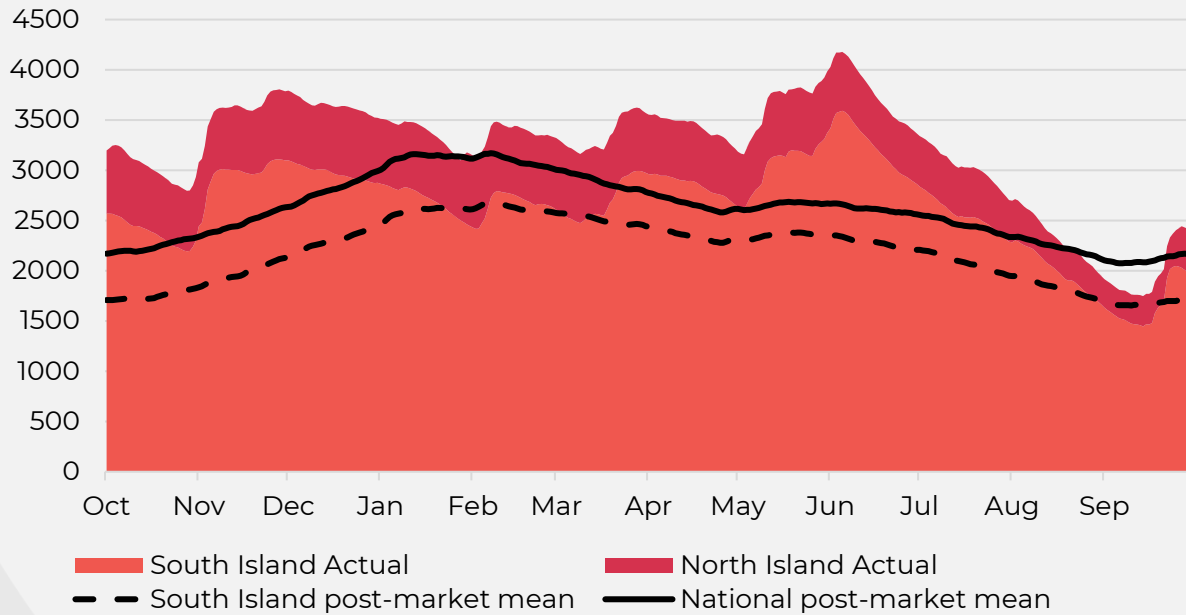
¹The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded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

²Forecast 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.

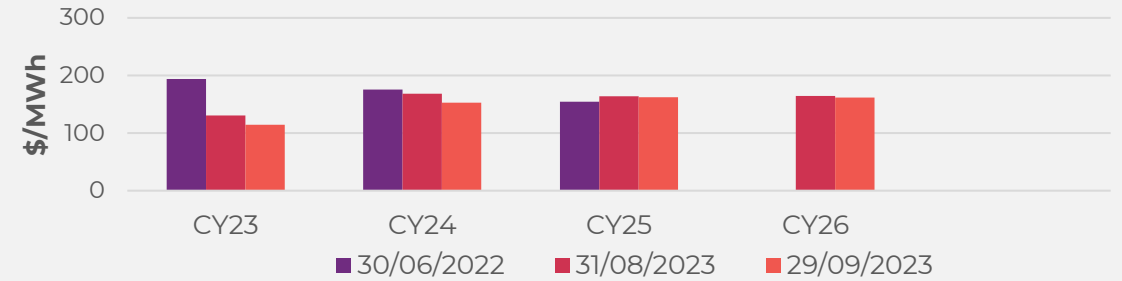
New Zealand controlled hydro storage against mean

12 MONTHS

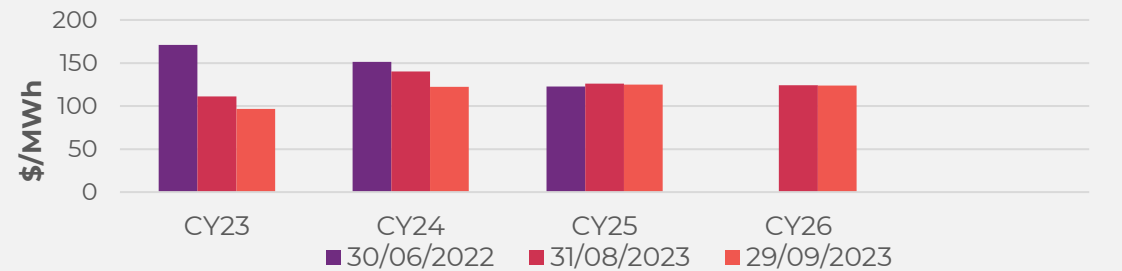


ASX futures settlement

Otahuhu

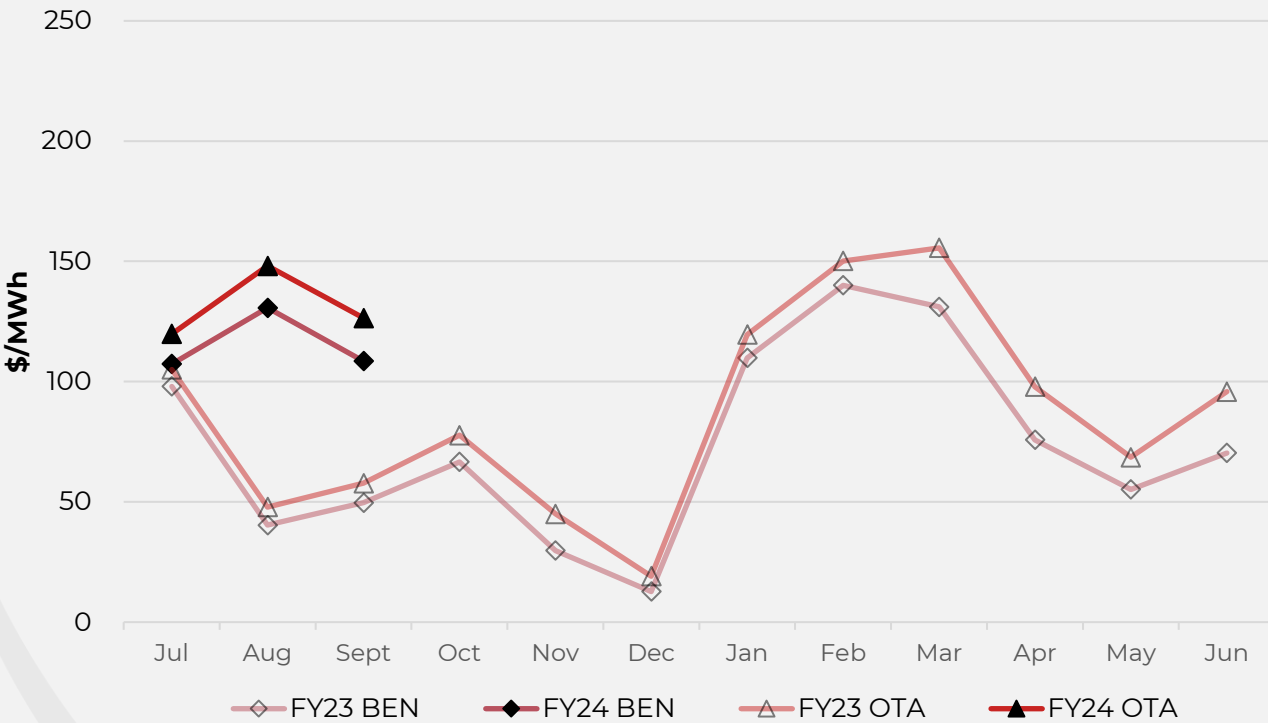


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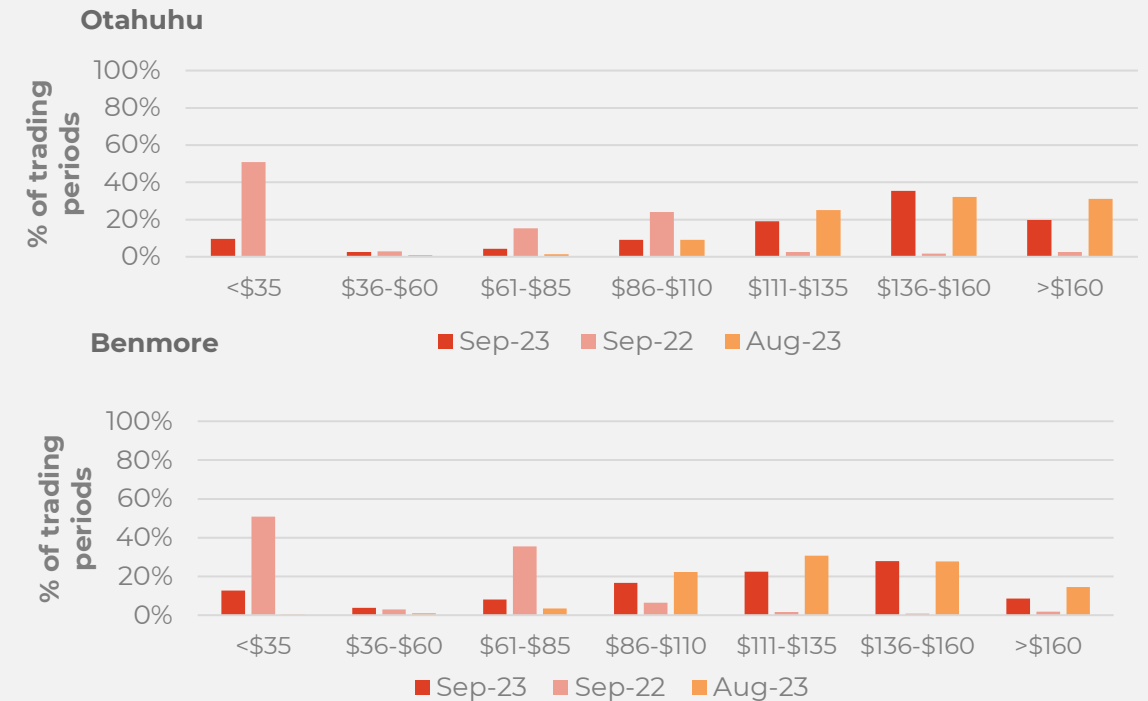


Wholesale market.

Wholesale electricity pricing



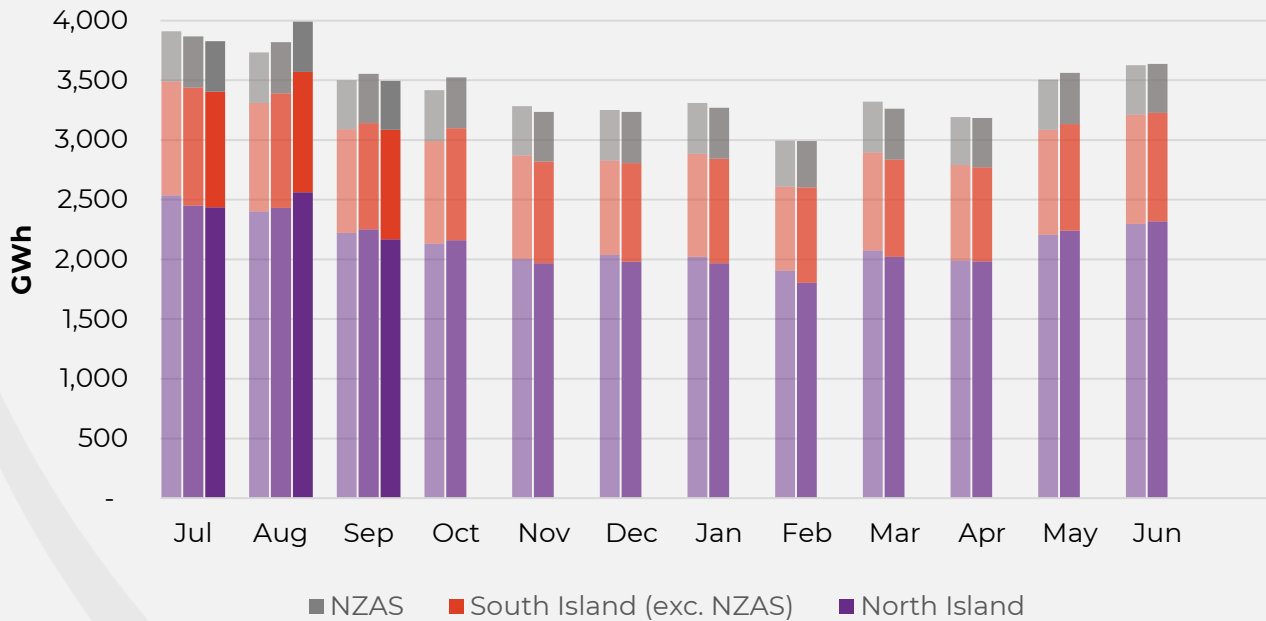
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

FY22, 23 and 24 respectively

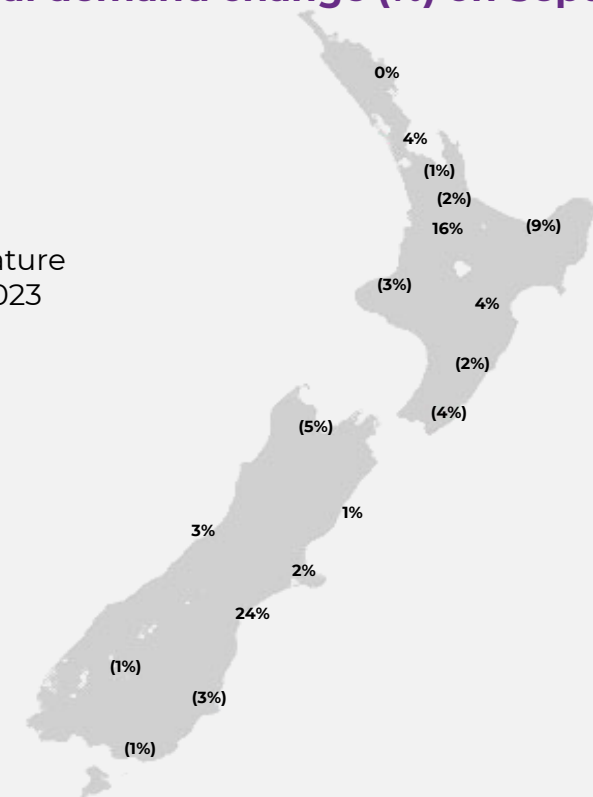


» New Zealand electricity demand was down 1.7% on September 2022 (down 0.2% on September 2021)

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

Regional demand change (%) on September 2022

The nationwide average temperature for September 2023 was 11.9°C, 0.9°C higher than September 2022: 11.0°C

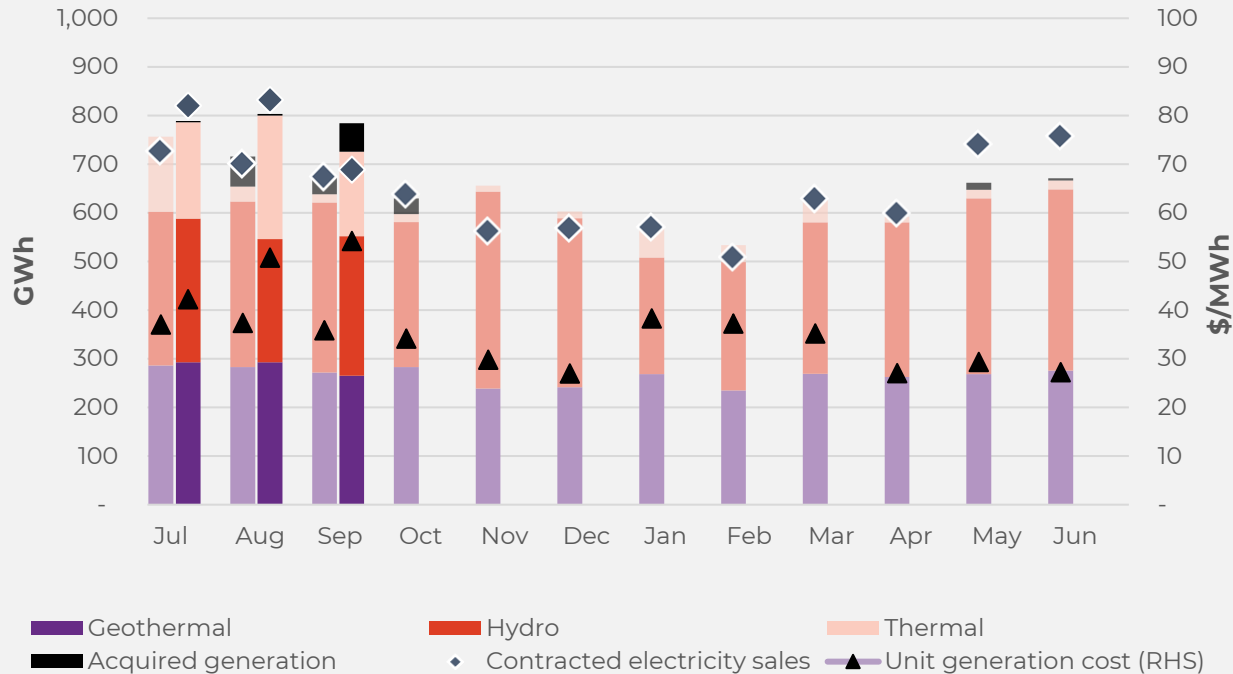


Regional demand is excluding NZAS

Business performance.

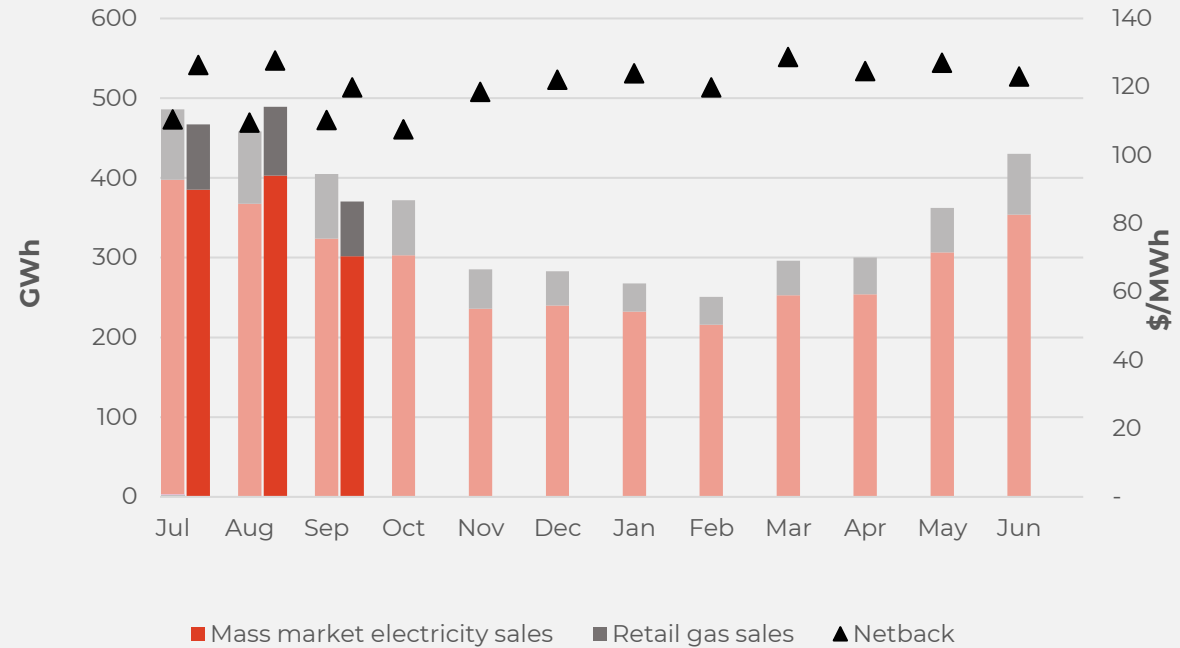
Wholesale

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 September 23	The month ended September 22	The month ended August 23	Three months ending September 23	Three months ending September 22					
Retail	Mass market electricity sales	GWh	302	324	403	1,087					
	Retail gas sales	GWh	69	81	86	260					
	Mass market electricity and gas sales	GWh	371	405	489	1,347					
	Average electricity sales price	\$/MWh	276.85	250.60	264.28	268.60	248.79				
	Electricity direct pass thru costs	\$/MWh	(124.79)	(115.14)	(108.37)	(114.10)	(110.93)				
	Cost to serve	\$/MWh	(19.61)	(14.74)	(14.13)	(15.67)	(12.97)				
	Customer netback	\$/MWh	119.88	110.35	127.73	125.07	110.14				
	Energy cost	\$/MWh	(123.80)	(103.33)	(149.25)	(146.47)	(118.58)				
	Actual electricity line losses	%	4%	6%	6%	6%	6%				
	Retail gas sales	PJ	0.2	0.3	0.3	0.9	0.9				
	Electricity ICPs	#	433,000	431,000	433,500	432,500	431,500				
	Gas ICPs	#	71,000	71,000	71,000	71,000	71,000				
	Broadband connections	#	88,000	75,000	88,000	87,500	73,500				
	Wholesale	Electricity sales to Customer business	GWh	316	345	430	1,160	1,160			
Electricity sales to Commercial and Industrial		GWh	114	136	118	345	400				
Electricity CFD sales		GWh	259	193	284	837	542				
Contracted electricity sales		GWh	689	675	832	2,342	2,102				
Steam sales		GWh	18	63	21	61	165				
Total electricity and steam net revenue ¹		\$/MWh	127.96	102.06	145.86	142.99	109.20				
C&I netback (at the ICP)		\$/MWh	124.70	115.69	150.62	143.55	130.61				
C&I line losses		%	4%	4%	4%	4%	4%				
Thermal generation		GWh	174	17	254	626	203				
Geothermal generation		GWh	265	272	293	851	842				
Hydro generation		GWh	287	349	253	836	1,004				
Spot electricity sales		GWh	726	639	800	2,312	2,049				
Electricity sales – Direct		GWh	-	8	-	-	20				
Acquired generation		GWh	58	37	3	64	99				
Electricity generated (or acquired)		GWh	784	684	803	2,376	2,168				
Unit generation cost (including acquired generation) ²		\$/MWh	(54.22)	(35.85)	(50.81)	(49.10)	(36.79)				
Spot electricity purchases		GWh	(430)	(473)	(548)	(1,505)	(1,541)				
CFD sale settlements		GWh	(259)	(193)	(284)	(837)	(542)				
Spot exposed purchases / CFD settlement		GWh	(689)	(666)	(832)	(2,342)	(2,083)				
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	115.06	57.16	138.63	122.50	70.03				
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(122.70)	(64.45)	(145.50)	(129.94)	(76.96)				
LWAP/GWAP		%	107%	113%	105%	106%	110%				
Gas used in internal generation	PJ	1.4	0.4	2.0	4.9	2.3					
Gas storage net movement (extraction) / injection	PJ	(0.0)	0.2	(0.6)	(0.8)	1.7					
Progress tracking actual (<i>target</i>) for Tauhara (grey) and Te Huka 3 (no fill)	%	98% (99%)	61% (59%)	N/A	N/A	98% (98%)	54% (54%)	N/A	N/A	N/A	N/A
Contact	Total customer connections	#	597,000	582,000	598,000	596,500	581,500				
	Realised gains / (losses) on market derivatives not in a hedge relationship ³	\$m	0.66	(0.17)	(0.13)	(2.60)	(3.58)				

¹Contact 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.

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

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q1 FY24	Q1 FY23
Climate Change*	Greenhouse Gas (GHG) Emissions from generation assets ¹	kt CO ² -e	325	179
	GHG intensity of generation ²	kt CO ² -e / GWh	0.141	0.087
Water	Water Freshwater take ³	Million cubic metres	0.69	2.30
	Non-consumptive water usage ⁴	Million cubic metres	3,643	5,354
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	3.91	4.31
Biodiversity	Native rākau (trees) planted by Contact ⁵	#	42,679	31,060
	Pests caught ⁶	#	458	914
Community	Community initiatives and organisations supported	#	21	13
Inclusion and Diversity	Board	% Women/ % Men	57% / 43%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	18% / 82%
Inclusion and Diversity	Employee Gender balance ⁷	% Women/ % Men	47% / 52%	48% / 51%

* We experienced low rainfall at the start of FY24 with inflows to the Clutha catchment at 49% of mean in July and 61% of mean in August. For Q1 FY24 Clutha storage levels were on average 63% of mean, versus 137% in Q1 FY23. This low hydrology in Q1 FY24 resulted in an increased need for thermal generation compared to the Q1 FY23.

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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