

Monthly Operating Report

August 2020



Putting our energy where it matters

August overview.

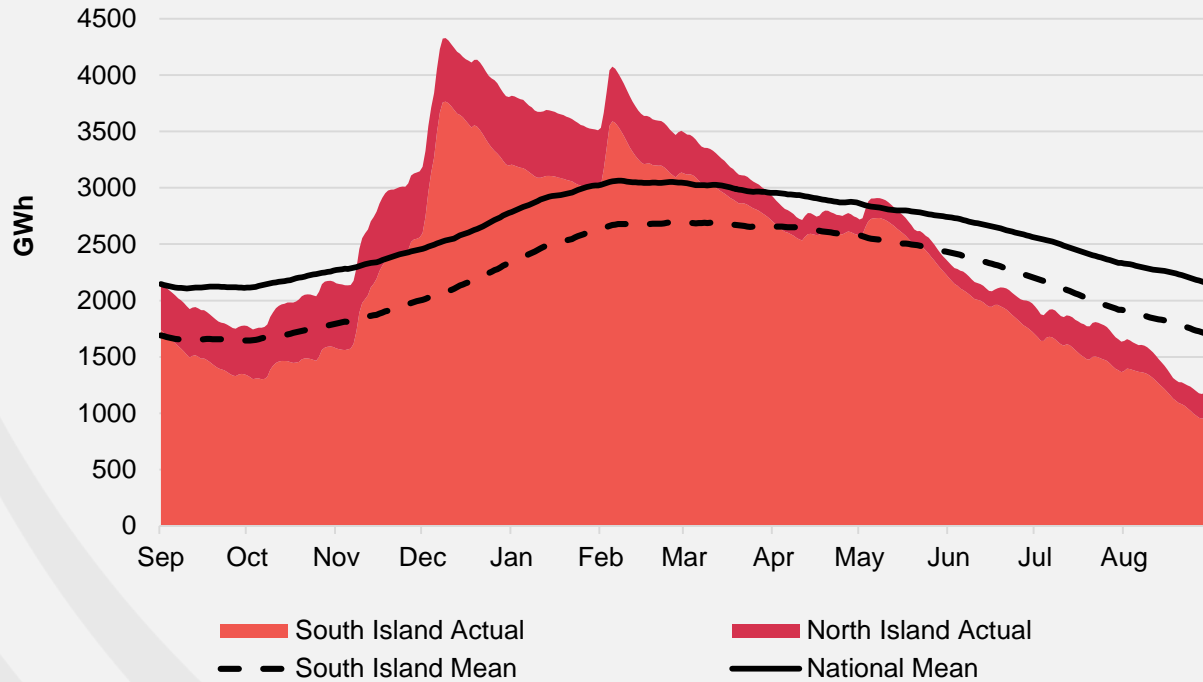
For the month of August 2020

- » The Customer business recorded:
 - Mass market electricity and gas sales of 450 GWh (August 2019: 478 GWh)
 - Mass market electricity and gas netback of \$96.91/MWh (August 2019: \$90.98/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 783 GWh (August 2019: 787GWh)
 - Electricity and steam net revenue of \$90.37/MWh (August 2019: \$85.94/MWh)
 - Electricity generated (or acquired) of 897 GWh (August 2019: 855 GWh)
 - The unit generation cost, which includes acquired generation was \$39.81/MWh (August 2019: \$44.48/MWh)
 - Own generation cost in the month of \$37.91/MWh (August 2019: \$38.88/MWh)
- » Otahuhu futures settlement wholesale price for the 4th quarter of 2020 (ASX):
 - As at 09 September 2020: \$133/MWh
 - As at 31 August 2020: \$119/MWh
 - As at 31 July 2020: \$96/MWh
- » As at 9 September 2020, South Island controlled storage was 58% of mean (31 August 2020: 58%) and North Island controlled storage was 49% of mean (31 August 2020: 55%)
 - As at 9 Sept 2020, total Clutha scheme storage (including uncontrolled storage) was 45% of mean
 - Inflows into Contact's Clutha catchment for August 2020 were 75% of mean (July 2020: 122%, June 2020: 73%, May 2020: 64%, April 2020: 83%)

Hydro storage and forward prices.

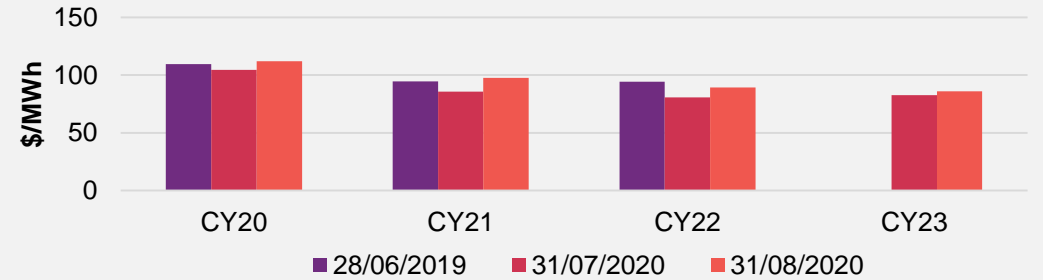
New Zealand controlled hydro storage against mean

12 MONTHS

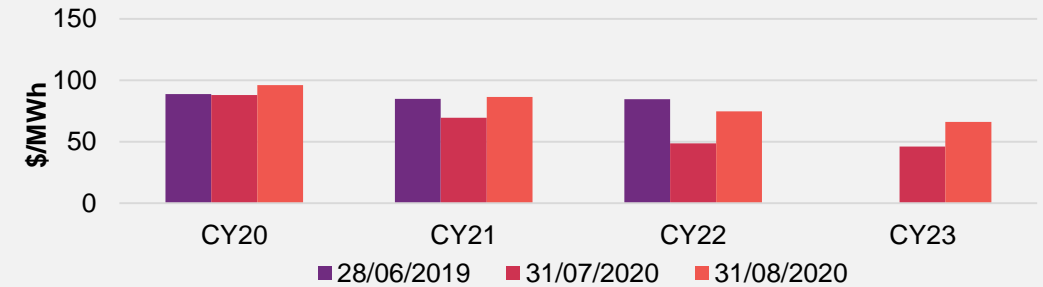


ASX futures settlement

Otahuhu

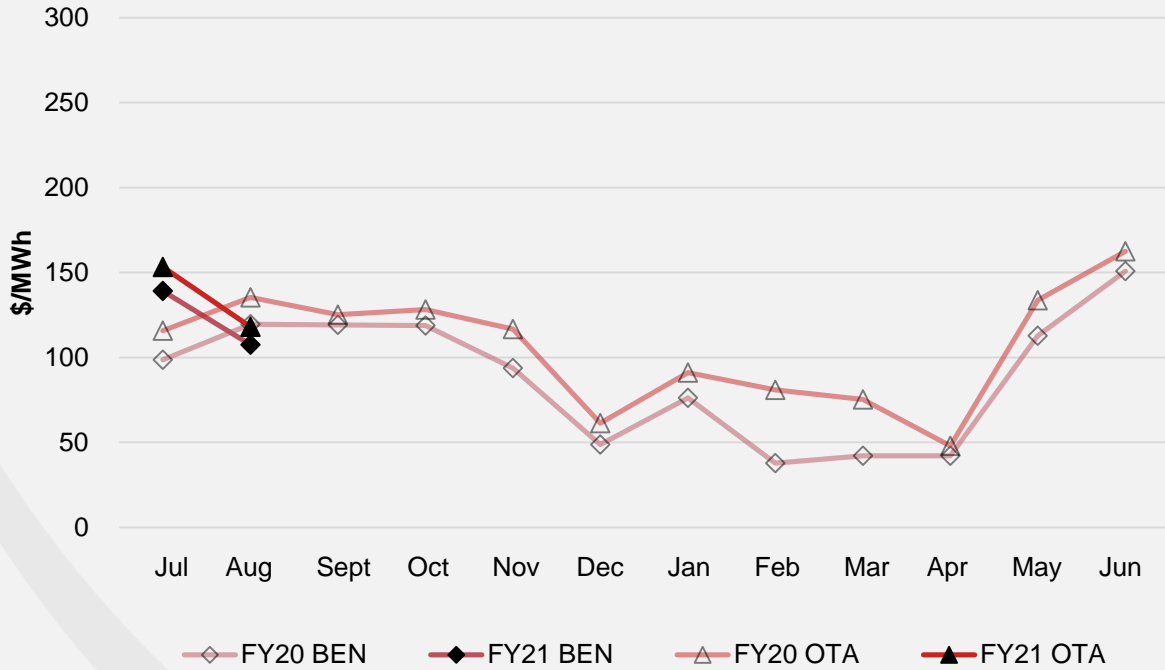


Benmore



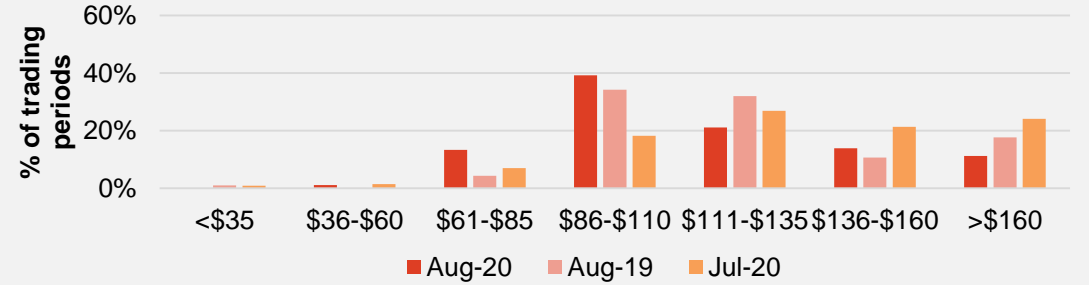
Wholesale market.

Wholesale electricity pricing

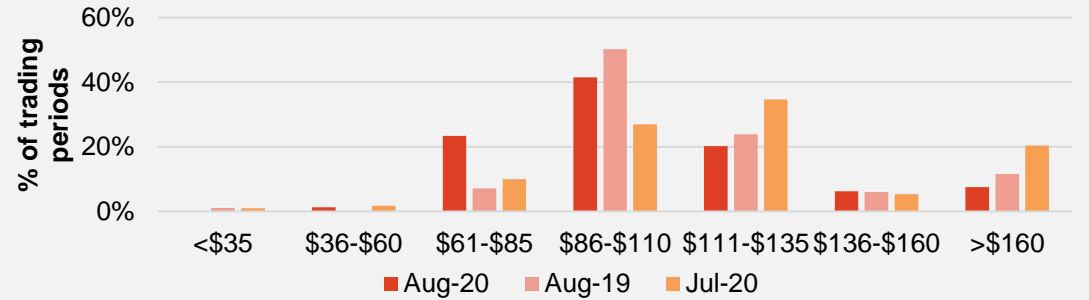


Distribution of wholesale market price by trading periods

Otahuhu



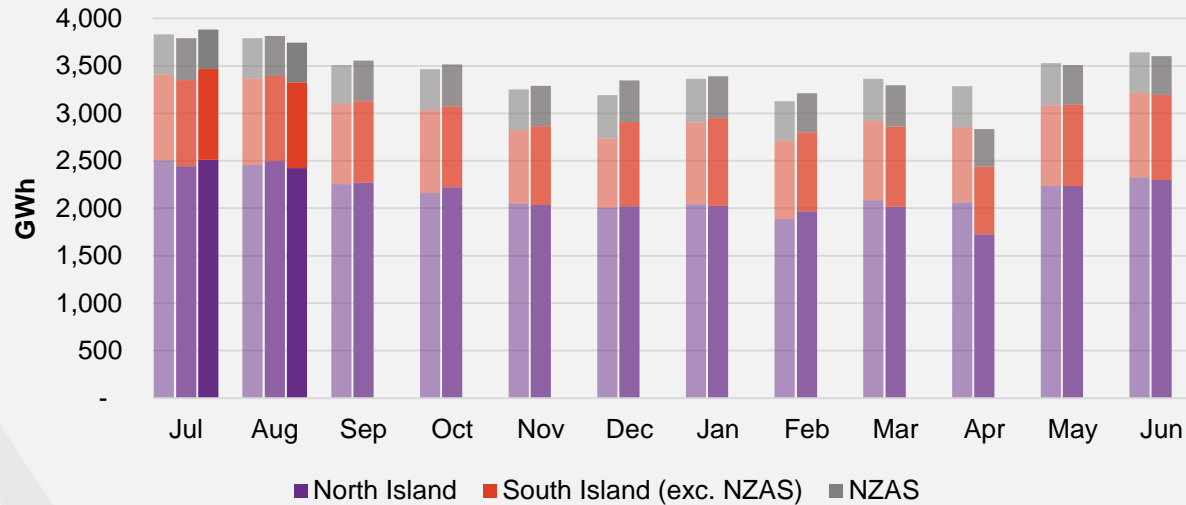
Benmore



Electricity demand.

Total national demand

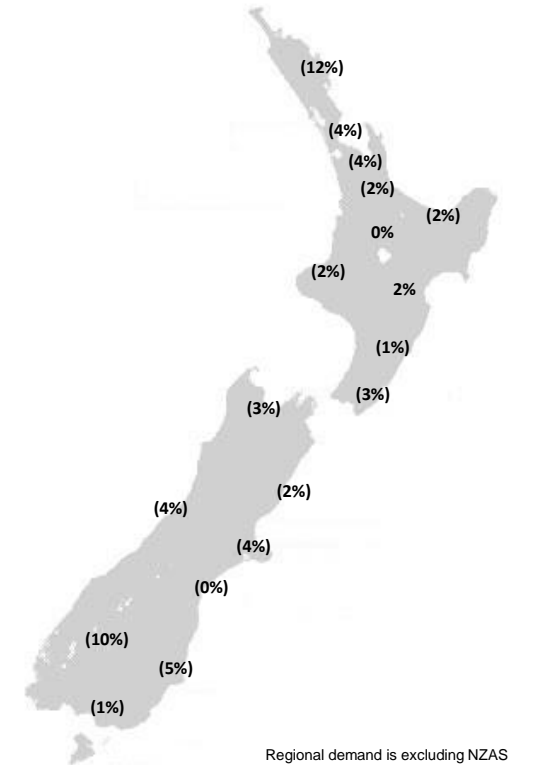
FY19, 20 and 21 respectively



- » New Zealand electricity demand was down 3.5% on August 2019 (down 1.2% on August 2018):
 - Cumulative 12 months demand for Sept 2019 to Aug 2020 of 41,192 GWh is down 0.5% to the prior comparative period.

Regional demand change (%) on August 2019

Nationwide temperatures for August 2020 were 10.1°, 1.2° higher than August 2019: 8.9°

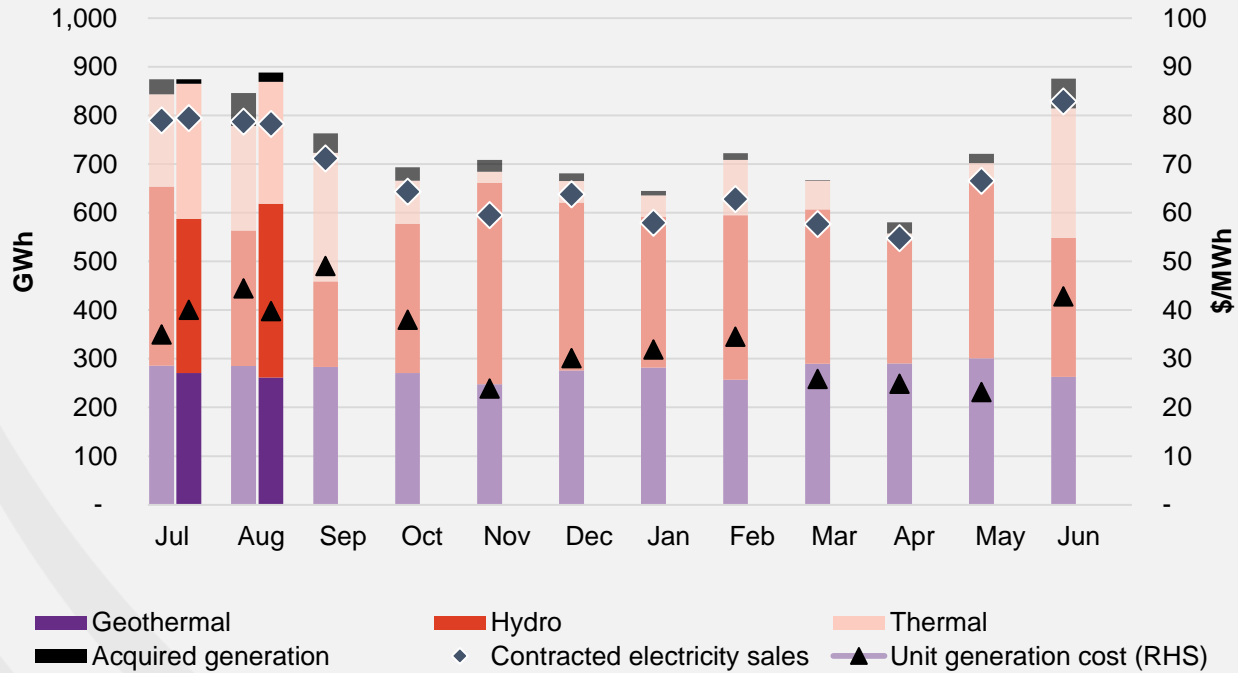


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

Business performance.

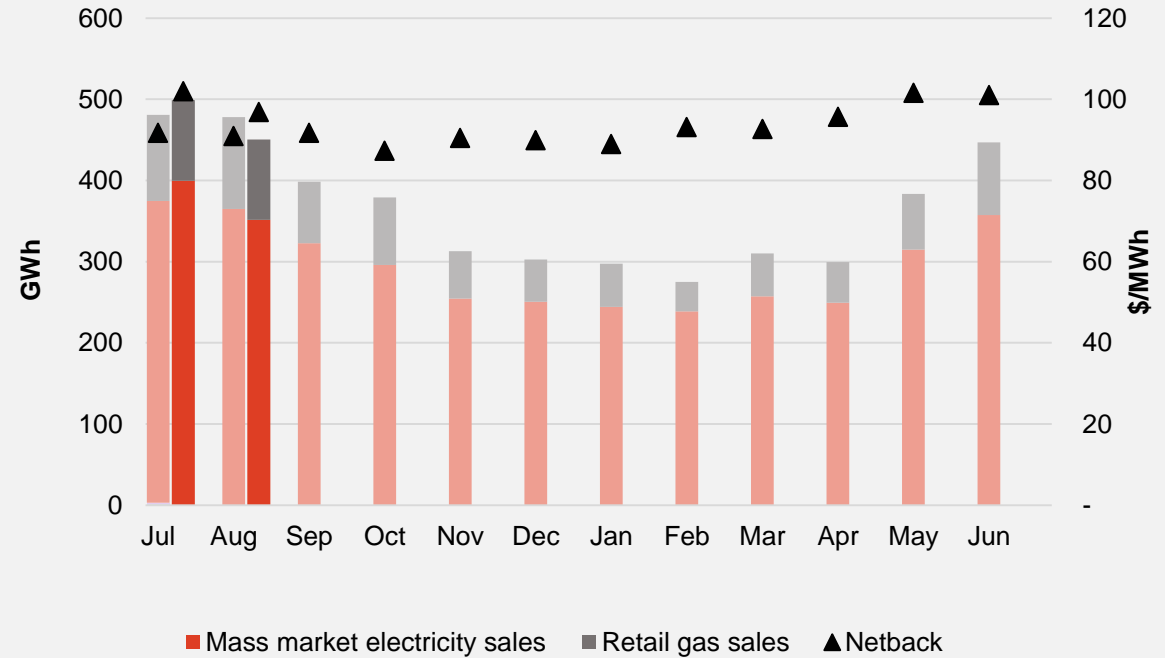
Wholesale

Generation mix, gross sales position and unit generation cost (FY20 and 21 respectively)



Customer

Retail sales volumes and netback (FY20 and 21 respectively)



Operational data.

		Measure	The month ended August 20	The month ended August 19	The month ended July 20	Two months ended August 20	Two months ended August 19
Customer	Mass market electricity sales	GWh	351	365	400	751	737
	Retail gas sales	GWh	99	113	100	198	219
	Mass market electricity and gas sales	GWh	450	478	499	949	956
	Average electricity sales price	\$/MWh	241.31	238.22	238.89	240.03	237.72
	Electricity direct pass thru costs	\$/MWh	(107.09)	(113.04)	(102.69)	(104.75)	(112.71)
	Cost to serve	\$/MWh	(16.47)	(14.10)	(15.63)	(16.03)	(14.34)
	Customer netback	\$/MWh	96.91	90.98	101.96	99.56	91.37
	Energy cost	\$/MWh	(93.37)	(85.07)	(102.80)	(98.32)	(88.59)
	Actual electricity line losses	%	7%	8%	5%	6%	7%
	Retail gas sales	PJ	0.4	0.4	0.4	0.7	0.8
	Electricity ICPs	#	413,500	411,000	414,500	414,000	410,750
	Gas ICPs	#	64,500	66,000	64,500	64,500	66,250
	Broadband connections	#	30,000	15,000	28,000	29,000	14,500
Wholesale	Electricity sales to Customer business	GWh	379	396	422	801	791
	Electricity sales to Commercial and Industrial	GWh	153	207	149	302	404
	Electricity CFD sales	GWh	251	185	223	474	383
	Contracted electricity sales	GWh	783	787	795	1,578	1,578
	Steam sales	GWh	77	63	28	105	85
	Total electricity and steam net revenue	\$/MWh	90.37	85.94	103.31	96.70	88.80
	C&I netback (at the ICP)	\$/MWh	92.34	94.97	103.75	92.34	96.19
	C&I line losses	%	3%	4%	4%	5%	4%
	Thermal generation	GWh	251	215	278	529	405
	Geothermal generation	GWh	261	285	271	532	571
	Hydro generation	GWh	357	278	317	674	646
	Spot electricity sales	GWh	869	778	865	1,735	1,621
	Electricity sales - Direct	GWh	8	9	2	11	12
	Acquired generation	GWh	19	68	9	28	99
	Electricity generated (or acquired)	GWh	897	855	877	1,774	1,733
	Unit generation cost (including acquired generation)	\$/MWh	(39.81)	(44.48)	(40.09)	(39.95)	(39.68)
	Spot electricity purchases	GWh	(524)	(594)	(569)	(1,093)	(1,183)
	CFD sale settlements	GWh	(251)	(185)	(223)	(474)	(383)
	Spot exposed purchases / CFD settlement	GWh	(775)	(779)	(793)	(1,567)	(1,566)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	110.66	125.79	144.85	127.62	114.59
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(117.48)	(130.92)	(154.01)	(135.95)	(120.30)
	LWAP/GWAP	%	106%	104%	106%	107%	105%
Gas used in internal generation	PJ	2.2	2.0	2.3	4.5	3.5	
Gas storage net movement (extraction) / injection	PJ	(0.2)	0.0	(0.2)	(0.5)	0.3	

Keep in touch.

Investors

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