

# Monthly Operating Report

November 2023



# November overview.

## For the month of November 2023

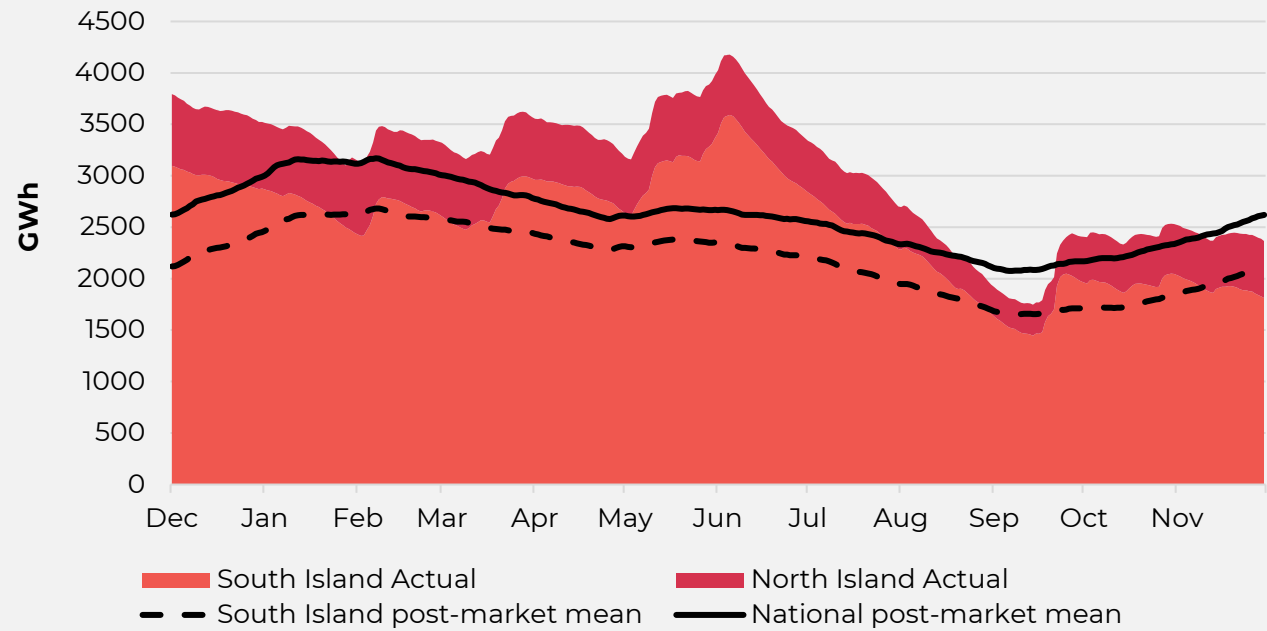
- » The Customer business recorded:
    - Mass market electricity and gas sales of 298GWh (November 2022: 285GWh)
    - Mass market netback of \$136.78/MWh (November 2022: \$118.59MWh)
  - » The Wholesale business recorded:
    - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 626GWh (November 2022: 563GWh)
    - Electricity and steam net revenue of \$99.39/MWh (November 2022: \$97.63MWh)
    - Electricity generated (or acquired) of 707GWh (November 2022: 664GWh)
    - The unit generation cost, which includes acquired generation was \$43.22MWh (November 2022: \$29.83/MWh)
      - Own generation cost in the month of \$33.25/MWh (November 2022: \$29.20/MWh)
- » Tauhara project progress vs. target for November 2023 was 98% vs. 100%<sup>1</sup>.
  - » Te Huka 3 project progress vs. target for November 2023 was 72% vs. 68%<sup>1</sup>.
  - » Otahuhu futures settlement wholesale price for the 1<sup>st</sup> quarter of 2024 (ASX):
    - As at 7 December 2023: \$185/MWh
    - As at 30 November 2023: \$181/MWh
    - As at 31 October 2023: \$167/MWh
  - » As at 7<sup>th</sup> December 2023, South Island controlled storage was 85% of mean and North Island controlled storage was 116% of mean
    - As at 7<sup>th</sup> December 2023, total Clutha scheme storage was 67% of mean.
    - Inflows into Contact's Clutha catchment for November 2023 were 68% of mean. (October 2023: 114%, September 2023: 166%, August 2023: 61%)
  - » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 11.8PJ

<sup>1</sup> The 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.

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.

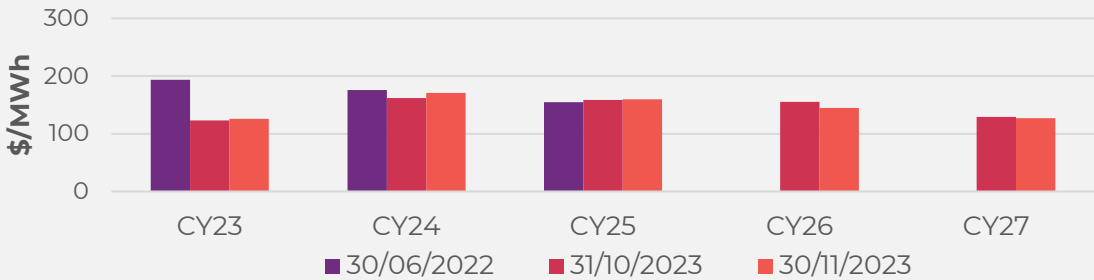
# Hydro storage and forward prices.

New Zealand controlled hydro storage against mean  
12 MONTHS

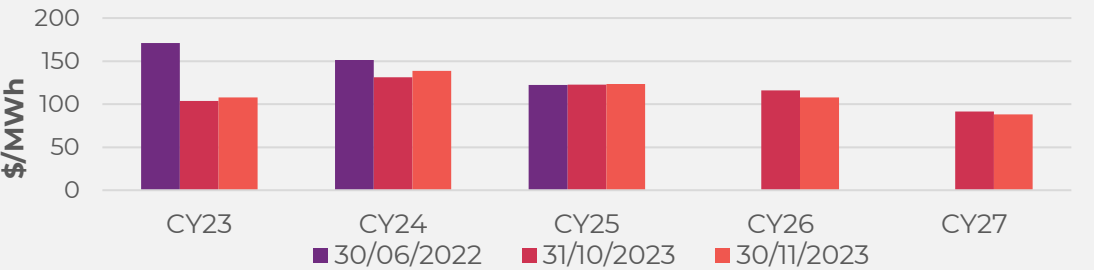


ASX futures settlement

Otahuhu

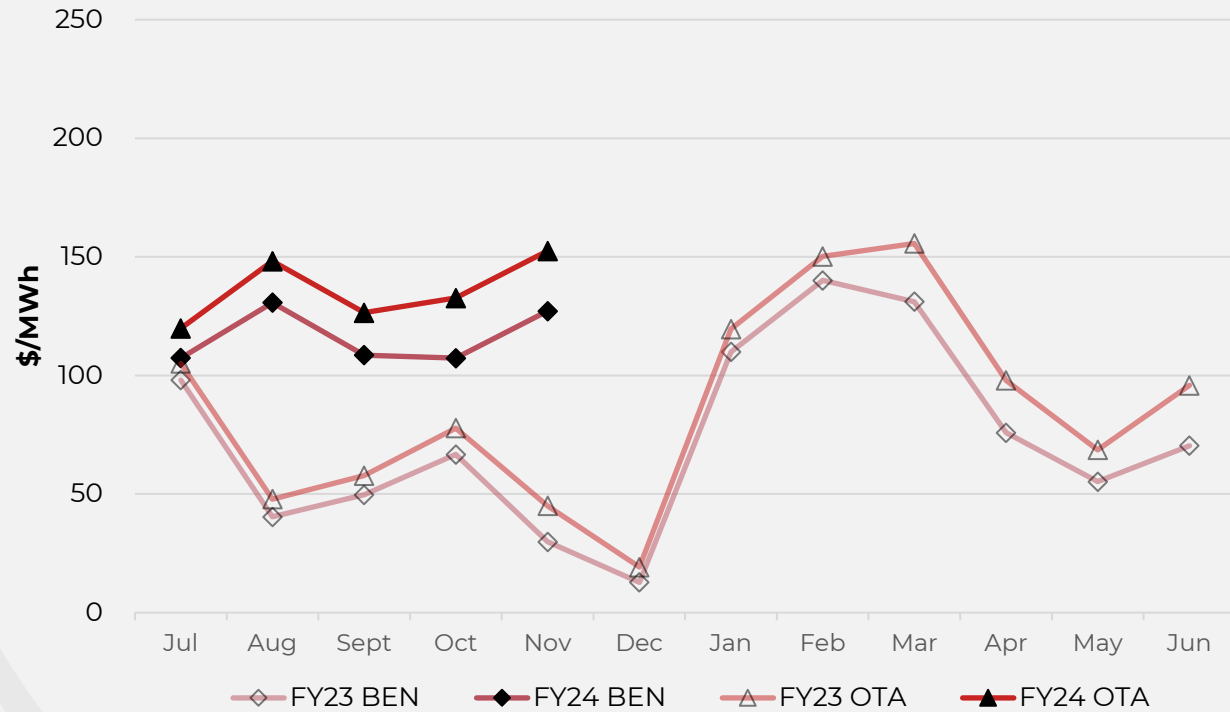


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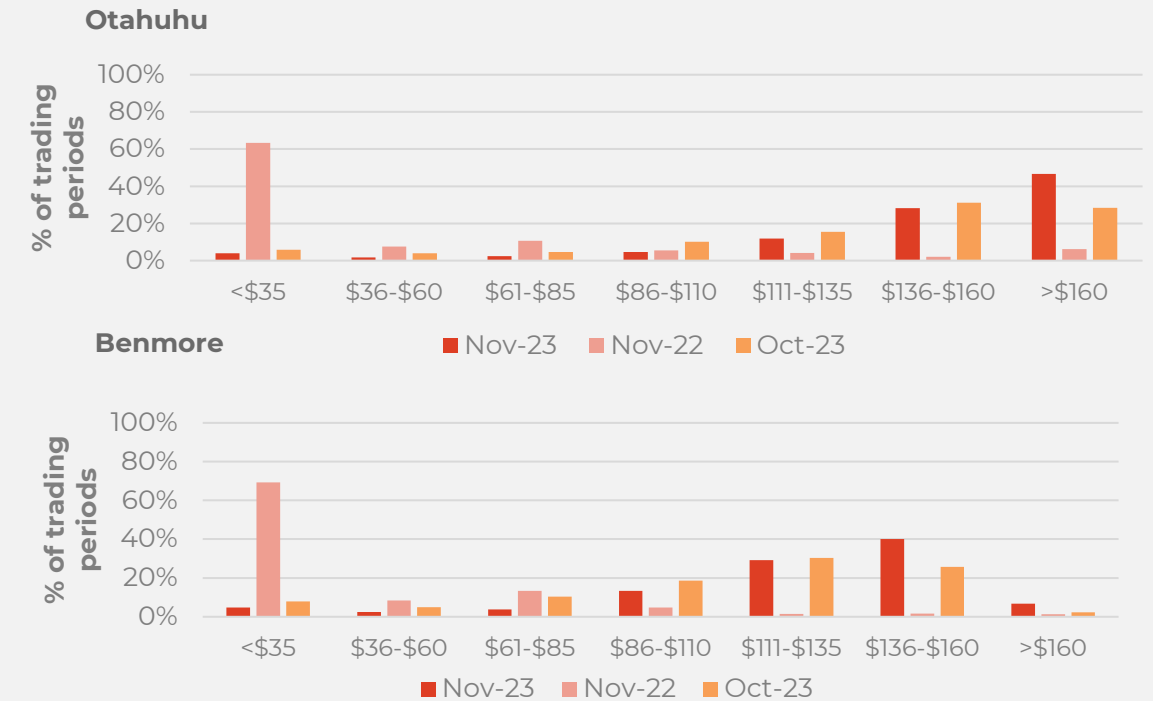


# Wholesale market.

## Wholesale electricity pricing



## Distribution of wholesale market price by trading periods



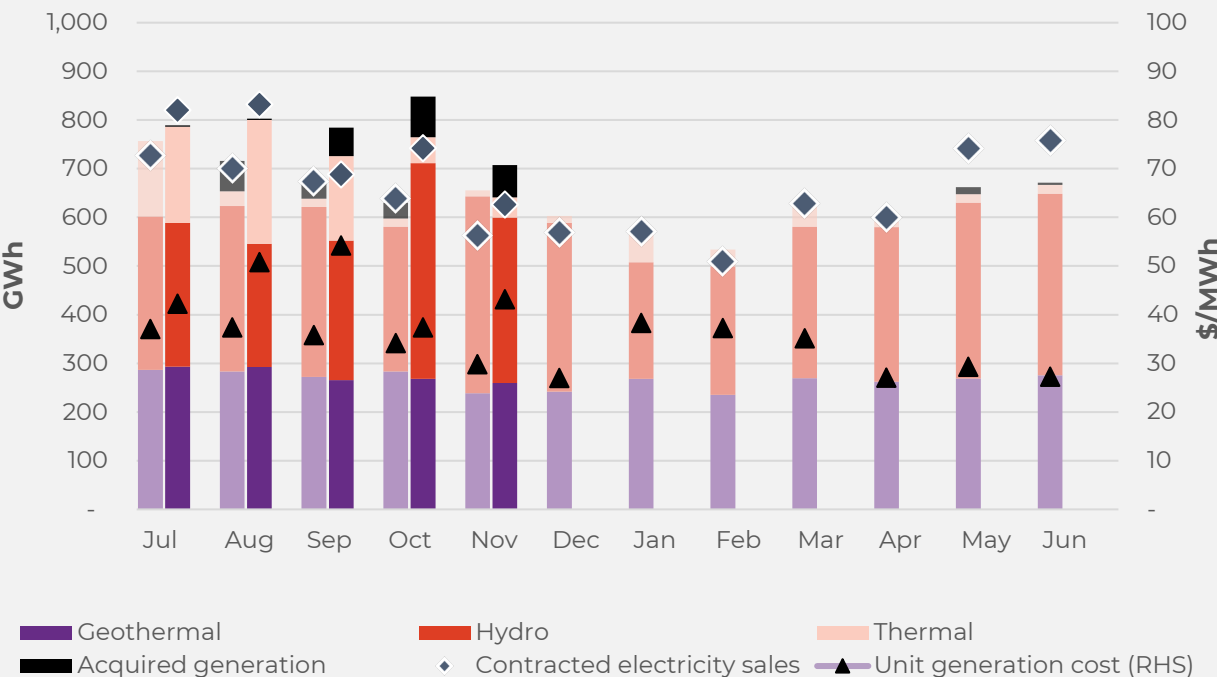
## Electricity demand.

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

# Business performance.

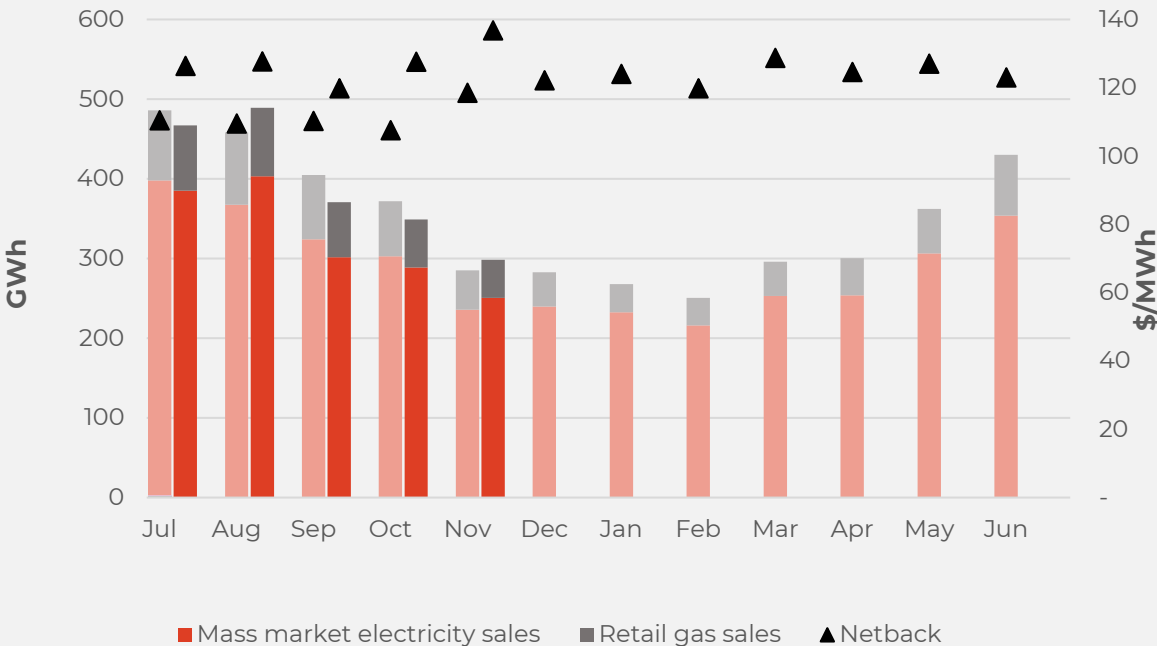
## Wholesale

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 November 23		The month ended November 22		The month ended October 23		Five months ending November 23	Five months ending November 22
Retail	Mass market electricity sales	GWh	251		236		289		1,630	1,626
	Retail gas sales	GWh	48		49		60		345	378
	Mass market electricity and gas sales	GWh	298		285		349		1,974	2,004
	Average electricity sales price	\$/MWh	301.13		280.32		280.95		275.79	254.86
	Electricity direct pass thru costs	\$/MWh	(127.75)		(126.81)		(123.57)		(117.88)	(114.61)
	Cost to serve	\$/MWh	(22.78)		(21.28)		(13.35)		(16.34)	(14.53)
	Customer netback	\$/MWh	136.78		118.59		127.60		127.29	110.87
	Energy cost	\$/MWh	(101.71)		(99.68)		(114.11)		(133.99)	(113.96)
	Actual electricity line losses	%	4%		6%		7%		6%	6%
	Retail gas sales	PJ	0.2		0.2		0.2		1.2	1.4
	Electricity ICPs	#	430,000		426,000		432,000		432,000	430,000
	Gas ICPs	#	70,500		70,000		71,000		71,000	70,500
	Broadband connections	#	89,000		76,000		89,000		88,000	74,500
Wholesale	Electricity sales to Customer business	GWh	261		252		312		1,732	1,733
	Electricity sales to Commercial and Industrial	GWh	110		142		113		567	686
	Electricity CFD sales	GWh	255		169		318		1,411	884
	Contracted electricity sales	GWh	626		563		742		3,710	3,303
	Steam sales	GWh	20		53		20		101	276
	Total electricity and steam net revenue <sup>1</sup>	\$/MWh	99.39		97.63		109.70		128.94	105.40
	C&I netback (at the ICP)	\$/MWh	102.39		101.45		112.22		129.37	120.81
	C&I line losses	%	4%		4%		4%		4%	4%
	Thermal generation	GWh	42		12		53		721	232
	Geothermal generation	GWh	260		239		268		1,379	1,364
	Hydro generation	GWh	340		404		443		1,619	1,706
	Spot electricity sales	GWh	641		656		765		3,718	3,303
	Electricity sales – Direct	GWh	-		8		-		-	36
	Acquired generation	GWh	66		0		84		214	131
	Electricity generated (or acquired)	GWh	707		664		848		3,932	3,470
	Unit generation cost (including acquired generation) <sup>2</sup>	\$/MWh	(43.22)		(29.83)		(37.39)		(45.52)	(34.97)
	Spot electricity purchases	GWh	(371)		(385)		(424)		(2,300)	(2,383)
	CFD sale settlements	GWh	(255)		(169)		(318)		(1,411)	(884)
	Spot exposed purchases / CFD settlement	GWh	(626)		(555)		(742)		(3,710)	(3,267)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	139.45		39.22		114.76		123.88	64.89
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(144.89)		(43.87)		(121.95)		(130.87)	(72.77)
	LWAP/GWAP	%	104%		112%		106%		106%	112%
	Gas used in internal generation	PJ	0.4		0.4		0.5		5.8	3.1
	Gas storage net movement (extraction) / injection	PJ	0.1		0.3		0.1		(0.6)	1.6
	Progress tracking actual (target) for Tauhara (grey) and Te Huka 3 (no fill)	%	98% (100%)	72% (68%)	N/A		98% (99%)	66% (63%)	N/A	N/A
Contact	Total customer connections	#	596,000		578,000		598,000		597,000	580,500
	Realised gains / (losses) on market derivatives not in a hedge relationship <sup>3</sup>	\$m	0.03		(3.85)		(0.06)		(2.63)	(7.97)

<sup>1</sup> Contact 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.

<sup>2</sup> For FY23 comparison figures note that Unit generation costs are calculated excluding an onerous contract provision for AGS.

<sup>3</sup>This 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 <sup>1</sup>	kt CO <sup>2</sup> -e	325	179
	GHG intensity of generation <sup>2</sup>	kt CO <sup>2</sup> -e / GWh	0.141	0.087
Water	Water Freshwater take <sup>3</sup>	Million cubic metres	0.69	2.30
	Non-consumptive water usage <sup>4</sup>	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 <sup>5</sup>	#	42,679	31,060
	Pests caught <sup>6</sup>	#	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 <sup>7</sup>	% 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)**

<sup>1</sup> Scope 1 – Stationary combustion. In FY22 stationary combustion was 99.96% of Contact's total Scope 1 emissions

<sup>2</sup> Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market

<sup>3</sup> Freshwater taken to support operations at geothermal and thermal

<sup>4</sup> Water that flows through our Roxburgh power station and cooling water for our geothermal power stations

<sup>5</sup> Does not include DrylandsCarbon/Forest Partners activities

<sup>6</sup> Predominantly stoats, rats and possums


<sup>7</sup> 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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