Monthly Operating Report

December 2022

contact

December overview.

For the month of December 2022

- » The Customer business recorded:
  - Mass market electricity and gas sales of 283GWh (December 2021: 288GWh)
  - Mass market netback of $122.17/MWh (December 2021: $106.73/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 568GWh (December 2021: 644GWh)
  - Electricity and steam net revenue of $84.10/MWh (December 2021: $83.33/MWh)
  - Electricity generated (or acquired) of 612GWh (December 2021: 684GWh)
  - The unit generation cost, which includes acquired generation was $27.01/MWh (December 2021: $20.03/MWh)
    - Own generation cost in the month of $26.32/MWh (December 2021: $18.30/MWh)
- » Tauhara project progress vs. target for December 2022 was 79% vs. 74% *
- » Otahuhu futures settlement wholesale price for the 1st quarter of 2023 (ASX):
  - As at 18 January 2023: $187/MWh
  - As at 30 December 2022: $167/MWh
  - As at 30 November 2022: $138/MWh
- » As at 18 January 2023, South Island controlled storage was 107% of mean and North Island controlled storage was 149% of mean
  - As at 18 January 2023, total Clutha scheme storage was 84% of mean
  - Inflows into Contact's Clutha catchment for December 2022 were 76% of mean. (November 2022: 117% October 2022: 73% September 2022: 112%)
- » As at 1 January 2023, Contact's contracted gas volume (including contracted swaps) for the next 12 months is 13.45PJ**
- » In light of the reduction in modelled storage capacity at AGS, announced 21 December 2022, Contact is reviewing the contract with AGS to determine potential onerous contract treatment

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.

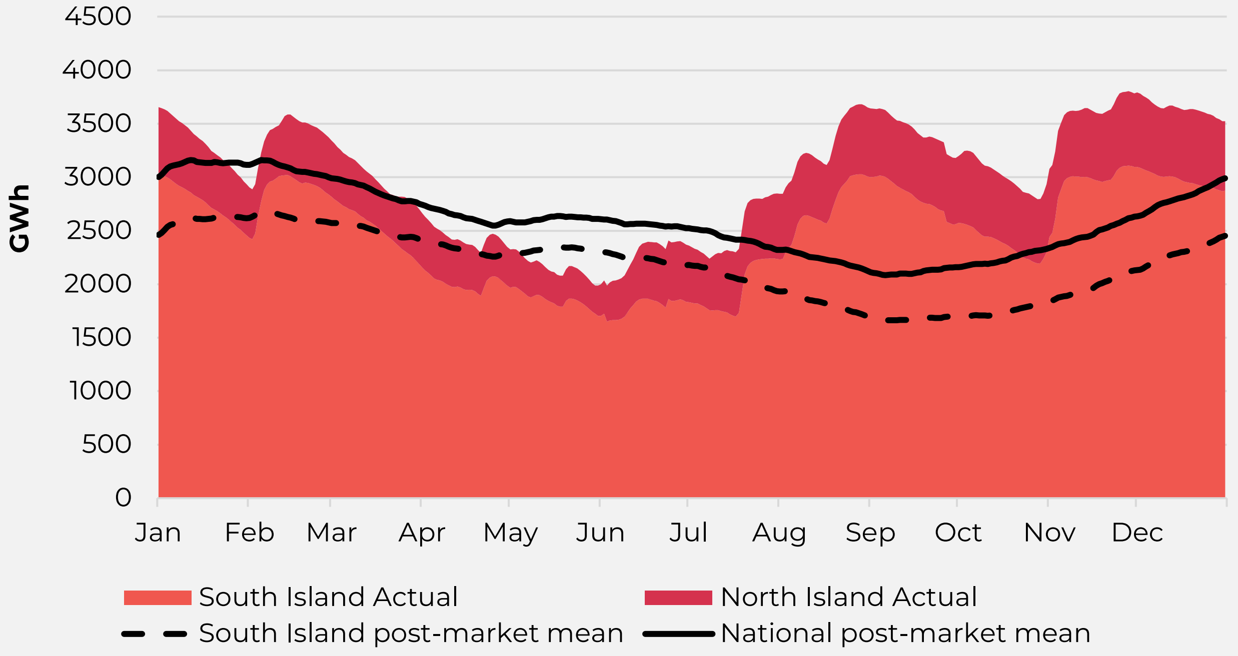
*The progress target for Tauhara follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the project nears completion in Q4 of 2023.

** Forecast gas volumes as notified by suppliers, actual gas received is dependent on field delivery

Hydro storage and forward prices.

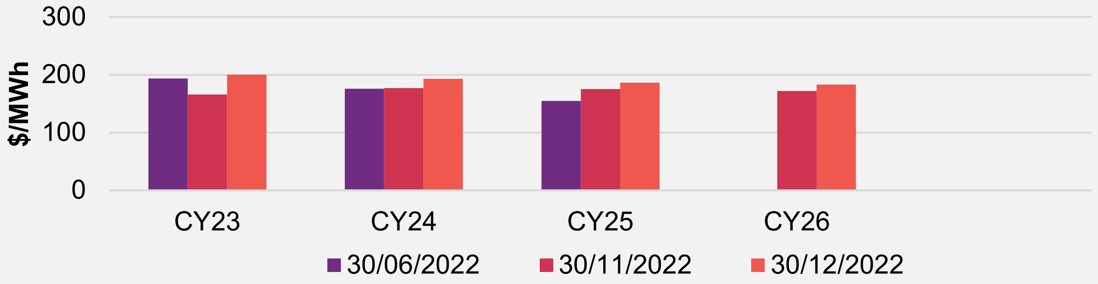
New Zealand controlled hydro storage against mean

12 MONTHS



ASX futures settlement

Otahuhu



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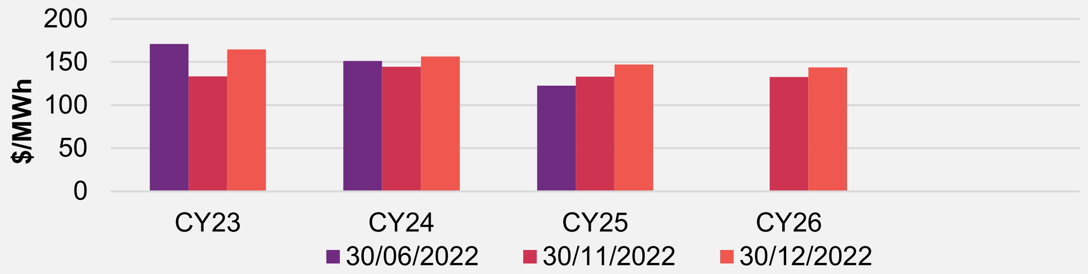
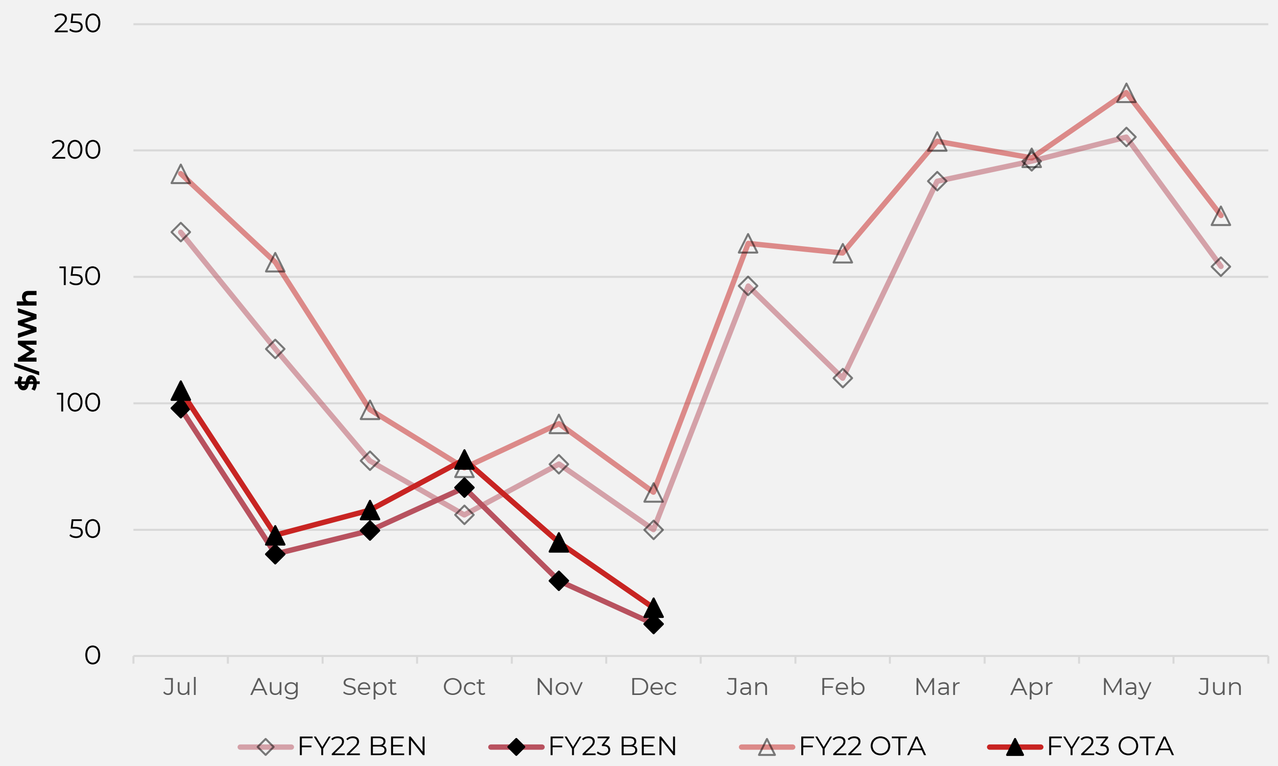
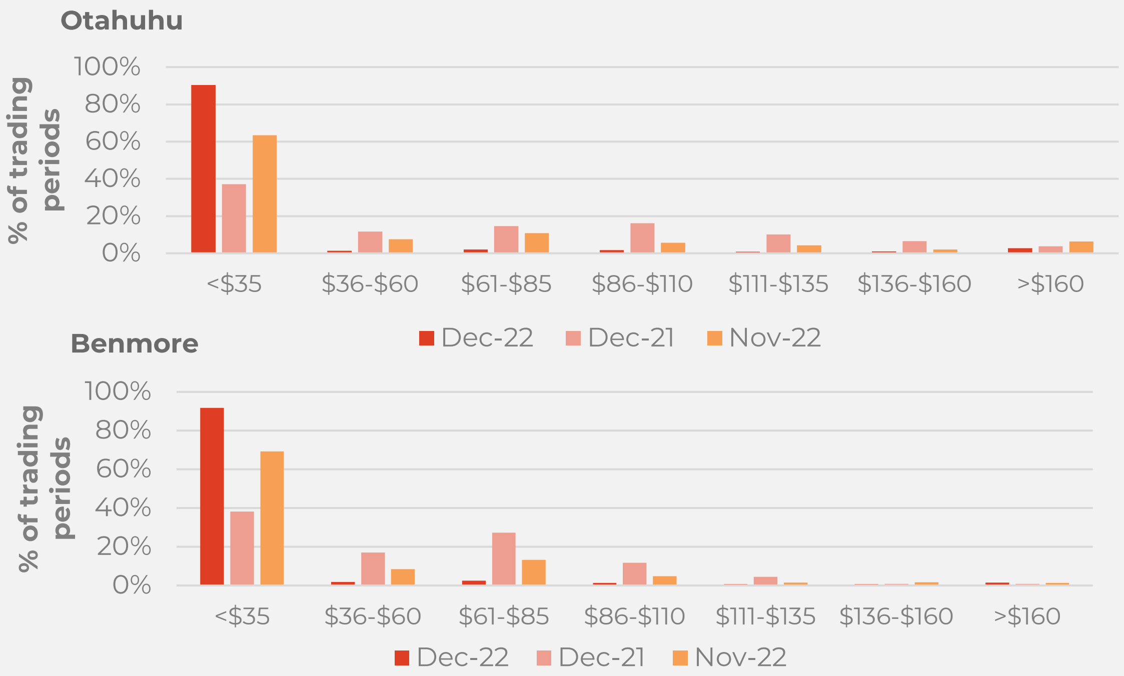


Wholesale market.

Wholesale electricity pricing



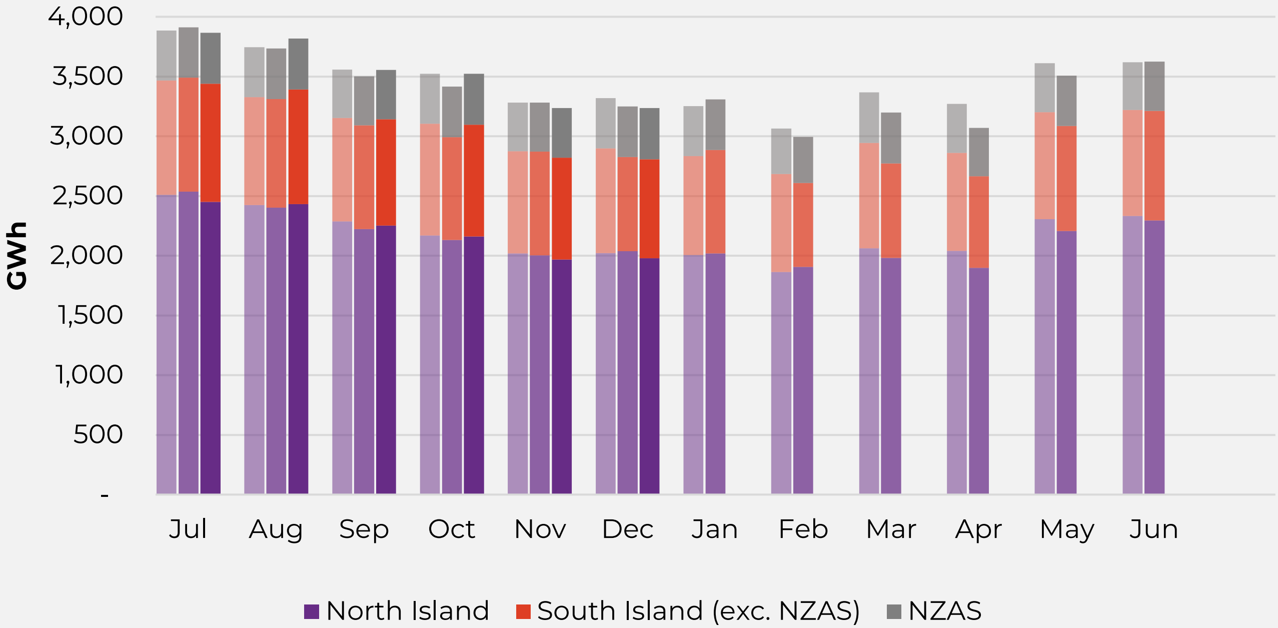
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

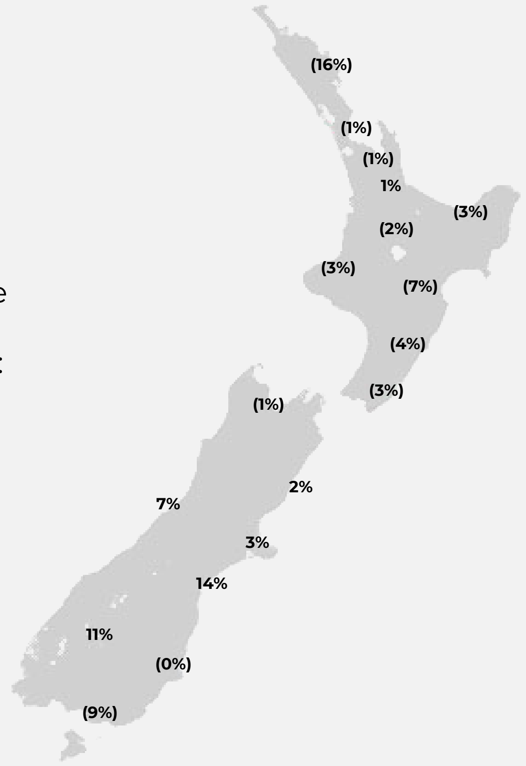
FY21, 22 and 23 respectively



» New Zealand electricity demand was down 0.4% on December 2021 (down 2.5% on December 2020)

Regional demand change (%) on December 2021

Nationwide temperatures for December 2022 were 17.0°C, 0.4°C cooler than December 2021: 17.4°C



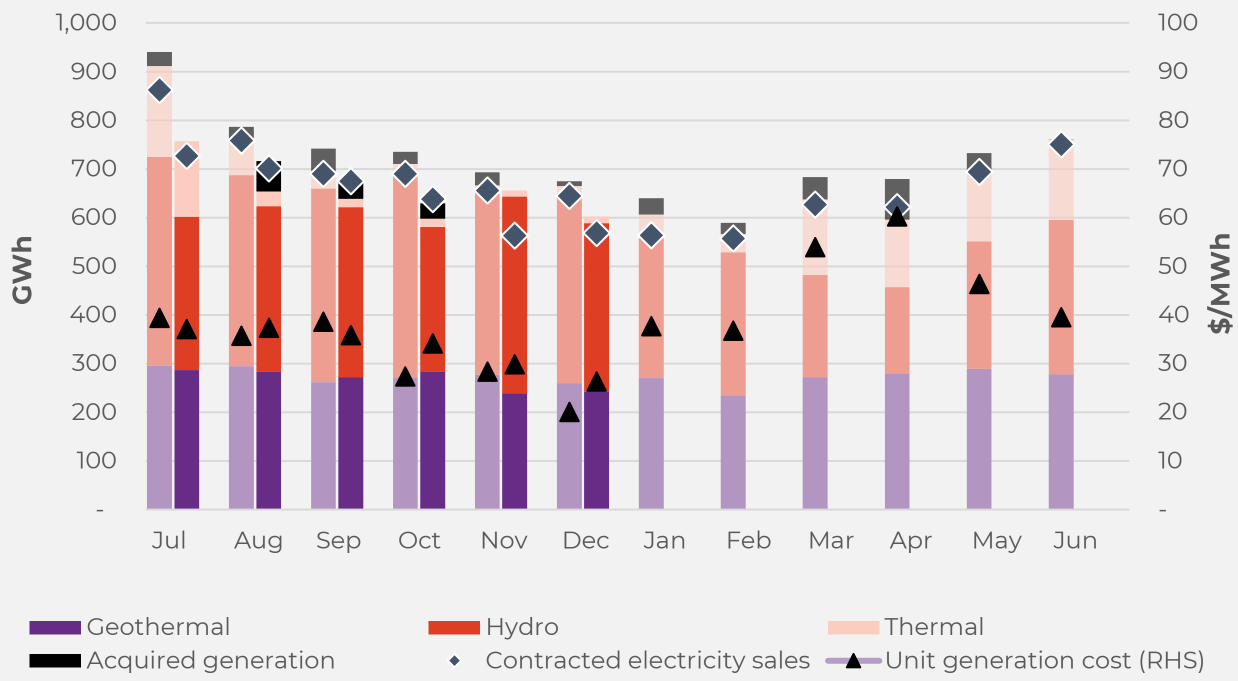
Source: Contact and Electricity Authority grid demand (reconciled) http://www.emi.ea.govt.nz

Regional demand is excluding NZAS

Business performance.

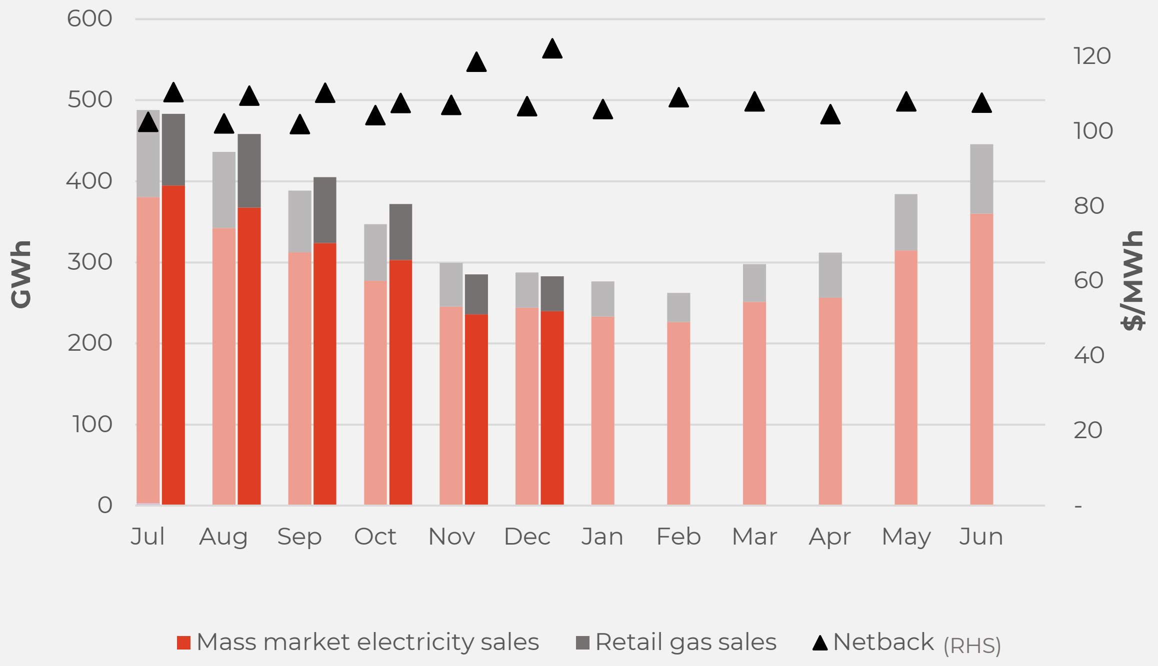
Wholesale

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 December 22	The month ended December 21	The month ended November 22	Six months ending December 22	Six months ending December 21
Retail	Mass market electricity sales	GWh	240	244	236	1,866	1,800
	Retail gas sales	GWh	43	44	49	421	444
	Mass market electricity and gas sales	GWh	283	288	285	2,286	2,244
	Average electricity sales price	$/MWh	284.66	257.30	280.32	258.69	248.80
	Electricity direct pass thru costs	$/MWh	(133.09)	(125.18)	(126.81)	(116.99)	(115.27)
	Cost to serve	$/MWh	(20.04)	(17.90)	(21.28)	(15.21)	(14.80)
	Customer netback	$/MWh	122.17	106.73	118.59	112.27	103.76
	Energy cost	$/MWh	(97.82)	(86.34)	(99.68)	(111.96)	(96.61)
	Actual electricity line losses	%	6%	6%	6%	6%	7%
	Retail gas sales	PJ	0.2	0.2	0.2	1.5	1.6
	Electricity ICPs (average)	#	424,000	422,000	426,000	429,000	415,500
	Gas ICPs (average)	#	69,500	68,000	70,000	70,500	67,000
	Broadband connections (average)	#	78,000	62,000	76,000	75,000	57,500
Wholesale	Electricity sales to Customer business	GWh	256	261	252	1,988	1,928
	Electricity sales to Commercial and Industrial	GWh	140	126	142	826	718
	Electricity CFD sales	GWh	172	257	169	1,057	1,654
	Contracted electricity sales	GWh	568	644	563	3,872	4,300
	Steam sales	GWh	60	53	53	336	361
	Total electricity and steam net revenue	$/MWh	84.10	83.33	91.10	100.32	100.68
	C&I netback (at the ICP)	$/MWh	98.63	68.49	101.45	117.07	85.43
	C&I line losses	%	4%	13%	4%	4%	4%
	Thermal generation	GWh	14	22	12	246	360
	Geothermal generation	GWh	242	259	239	1,606	1,659
	Hydro generation	GWh	347	383	404	2,053	2,391
	Spot electricity sales	GWh	603	665	656	3,905	4,411
	Electricity sales - Direct	GWh	9	9	8	45	47
	Acquired generation	GWh	0	11	-	131	162
	Electricity generated (or acquired)	GWh	612	684	664	4,081	4,620
	Unit generation cost (including acquired generation)	$/MWh	(27.01)	(20.03)	(29.83)	(33.78)	(32.15)
	Spot electricity purchases	GWh	(387)	(379)	(385)	(2,770)	(2,599)
	CFD sale settlements	GWh	(172)	(257)	(169)	(1,057)	(1,654)
	Spot exposed purchases / CFD settlement	GWh	(559)	(636)	(555)	(3,827)	(4,253)
	Spot revenue and settlement on acquired generation (GWAP)	$/MWh	17.51	53.66	39.22	57.81	103.64
	Spot purchases and settlement on CFDs sold (LWAP)	$/MWh	(21.94)	(60.26)	(43.87)	(65.34)	(112.59)
	LWAP/GWAP	%	125%	112%	112%	113%	109%
	Gas used in internal generation	PJ	0.4	0.4	0.4	3.4	4.3
	Gas storage net movement (extraction) / injection	PJ	0.4	0.4	0.3	2.0	2.0
	Tauhara progress tracking actual *(target)*		79% *(74%)*	N/A	76% *(71%)*	N/A	N/A
Contact	Total customer connections (average)	#	577,000	559,000	578,000	580,000	548,000

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 FY23	Q2 FY22
Climate Change	Greenhouse Gas (GHG) Emissions from generation assets[1]	kt CO^2-e	111	118
	GHG intensity of generation[2]	kt CO^2-e / GWh	0.060	0.058
Water	Water Freshwater take[3]	Million cubic metres	0.60	0.76
	Non-consumptive water usage[4]	Million cubic metres	4,630	4,801
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	2.90	3.58
Biodiversity	Native rakau (trees) planted by Contact[5]	#	26,364	18,434
	Pests caught[6]	#	643	1,893
Community	Community initiatives and organisations supported	#	22	23
Inclusion and Diversity	Board	% Women/ % Men	57% / 43%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	27% / 73%
Inclusion and Diversity	Employee Gender balance[7]	% Women/ % Men	46% / 53%	45% / 54%

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. 1.4% and 0.5% unspecified in Q1 FY23 and Q1 FY22 respectively.
* Data has not historically been collected by quarter

Keep in touch.

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