



MANAWA ENERGY

# Quarterly Operating Report

Q2 FY25

July 2024 – September 2024



# Quarterly Insights

## Unprecedented market conditions saw impacts across the portfolio

Very dry and calm conditions across July and the first half of August (which was preceded by a dry May and June) saw Manawa inflows and wind PPA offtake volumes that were materially lower than average, which necessitated an increased use of stored water.

This saw Manawa's controlled storage lake levels reduce materially (as low as 33% of average as at 31 July) and, at times, Manawa was exposed to very high wholesale spot prices, driven by the constraint in renewable fuel and very high gas prices.

Otauhu average wholesale spot prices were \$355/MWh and \$452/MWh across July and August respectively, with peak daily average pricing in August exceeding \$850/MWh.

Hydro inflows and wind volumes increased materially from the middle of August (which skews some monthly statistics) and continued strongly across September.

This has seen a significant increase in Manawa (and National) storage levels, and, along with excess gas volume in the market, resulted in a significant reduction in wholesale spot prices.

At the end of September, Manawa's controlled hydro storage was sitting at 78% of average, and has continued to climb during the first part of October.

## Proposed Contact Energy acquisition announced

On 11 September 2024, Manawa announced it had entered into a Scheme Implementation Agreement (SIA) with Contact Energy.

This scheme would see Contact acquire all of Manawa's shares through a scheme of arrangement process.

The scheme is subject to a number of approvals, including New Zealand Commerce Commission approval, Manawa shareholders approving the scheme, and High Court approval.

Manawa's two largest shareholders, together comprising 77.9% of Manawa's shares, are supportive of the transaction.

Implementation of the scheme is targeted for H1 2025, although this is indicative and subject to change.

Manawa continues to operate in the normal course of business and is committed to progressing key strategic initiatives such as its major asset refurbishment projects, and the generation development pipeline.

## Resource consents granted for both Argyle Solar Farm sites, four key projects selected for fast-track process

Manawa has been granted resource consents for both sites of the proposed Argyle Solar Farm in Marlborough.

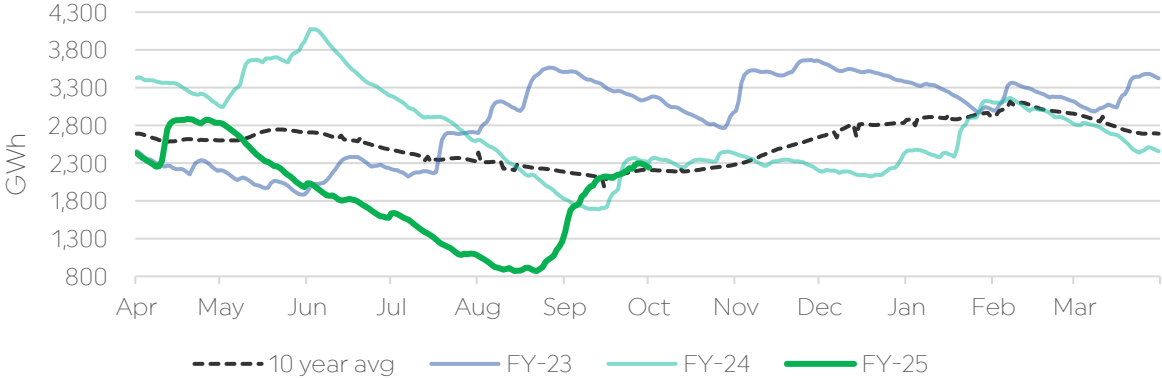
Manawa has had four projects selected for inclusion in the Government's list of Fast-track projects under its one-stop-shop Fast Track Approvals Bill.

These include two large development projects, the Huriwaka Wind Farm and the Kaihiku Wind Farm (50% JV with Pioneer Energy), and consenting of the Wheao and Kaimai hydroelectric power schemes.

Once the Bill is passed (expected before the end of the year), Manawa will be able to apply to the Environmental Protection Authority to have an expert panel assess these projects and apply relevant conditions.

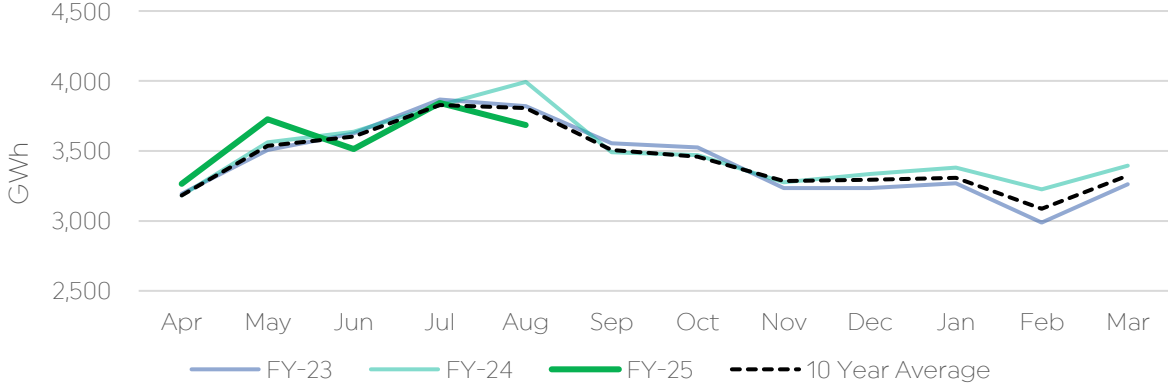
# Wholesale Electricity Market

National Controlled Storage

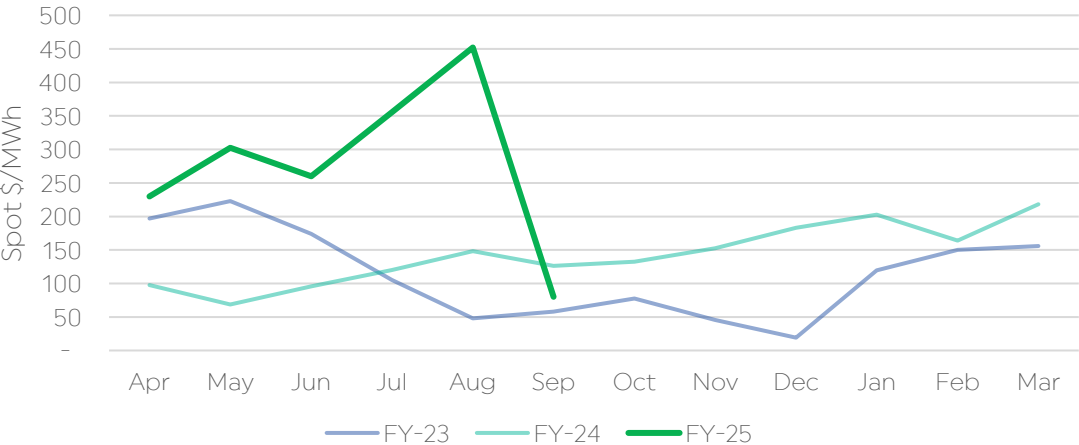


SOURCE: NZX Hydro

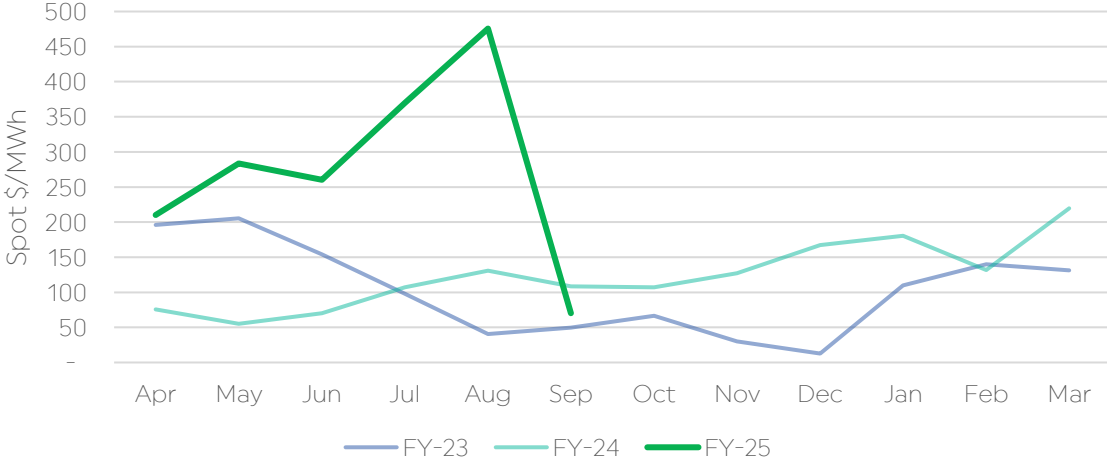
National Demand



Otahuhu Average Monthly Price

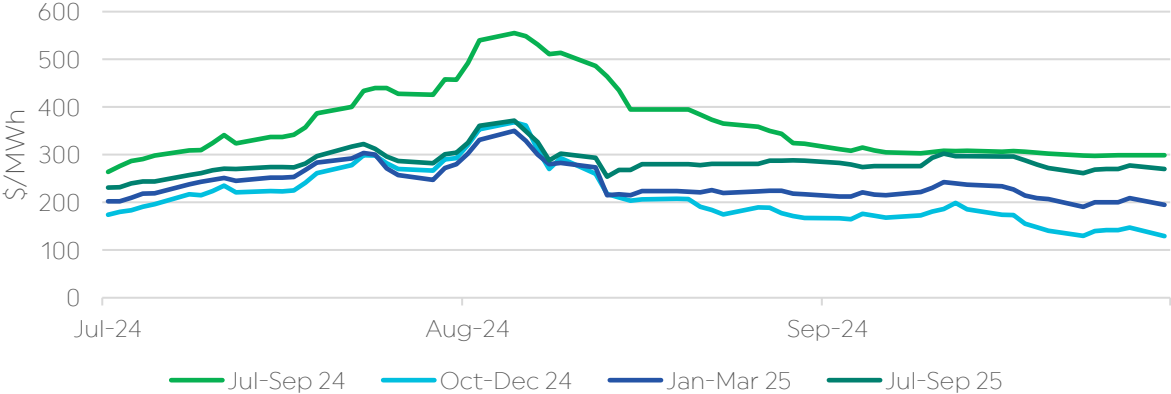


Benmore Average Monthly Price

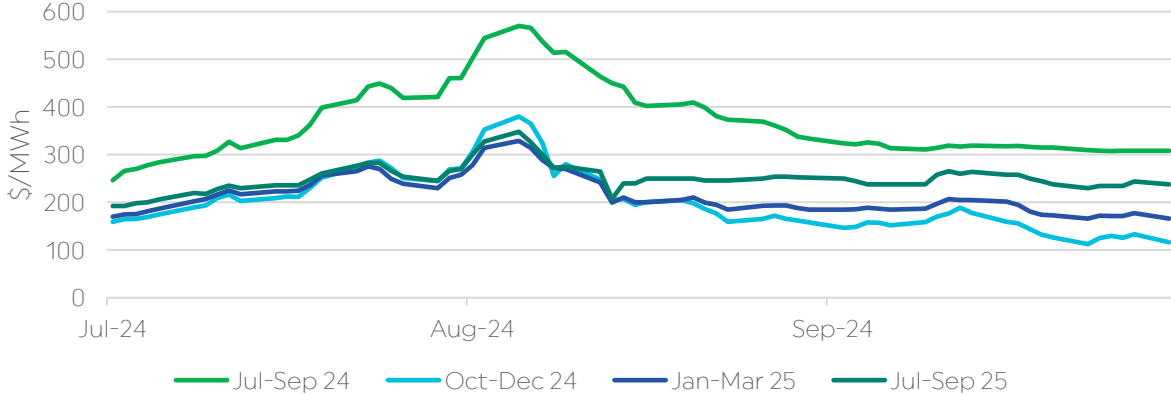


# ASX Futures Market

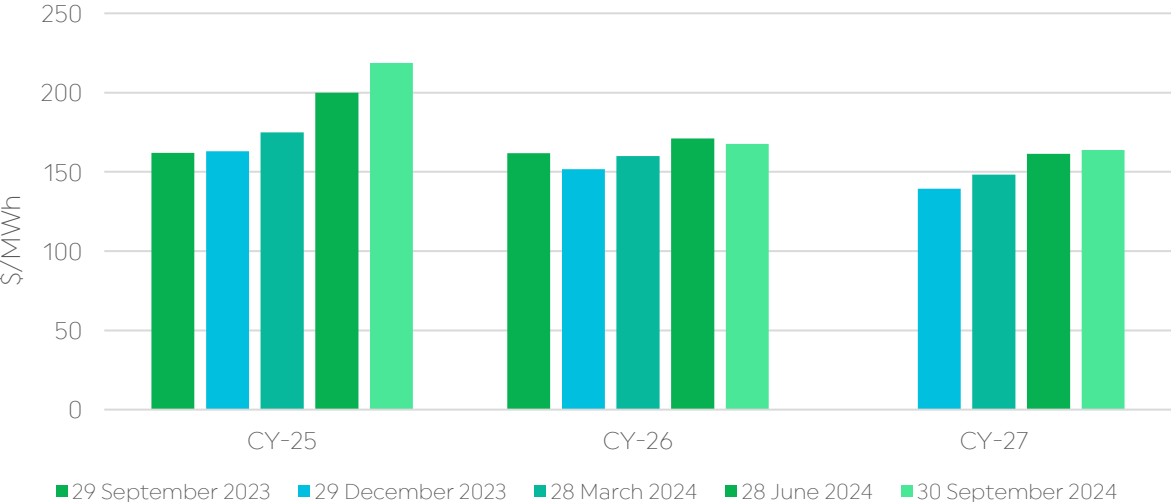
Otahuhu near-term ASX quarterly futures



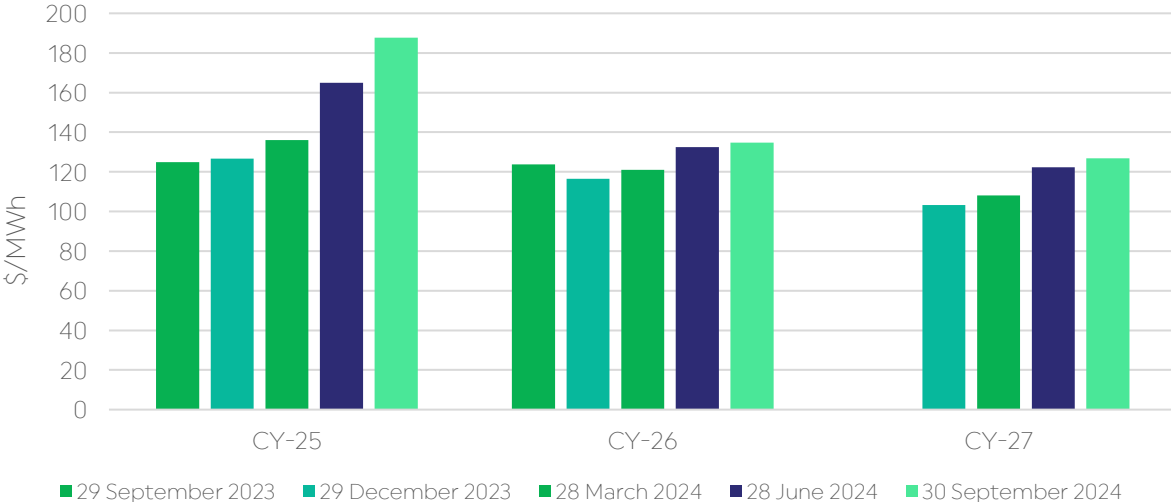
Benmore near-term ASX quarterly futures



Otahuhu ASX Strip Futures Settlement Prices

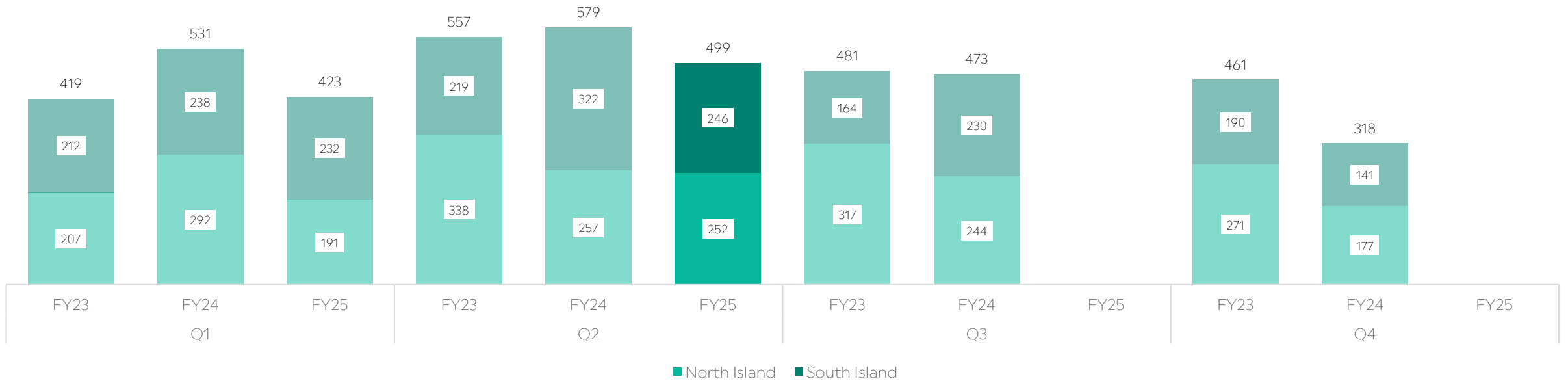


Benmore ASX Strip Futures Settlement Prices



# Generation

Generation production volumes



## Q2 FY25

NI Generation ↓ 2%  
vs pcp

SI Generation ↓ 24%  
vs pcp

GWAP/TWAP

NI **0.97**  
SI **1.22**

## YTD FY25

NI Generation ↓ 19%  
vs pcp

SI Generation ↓ 15%  
vs pcp

GWAP/TWAP

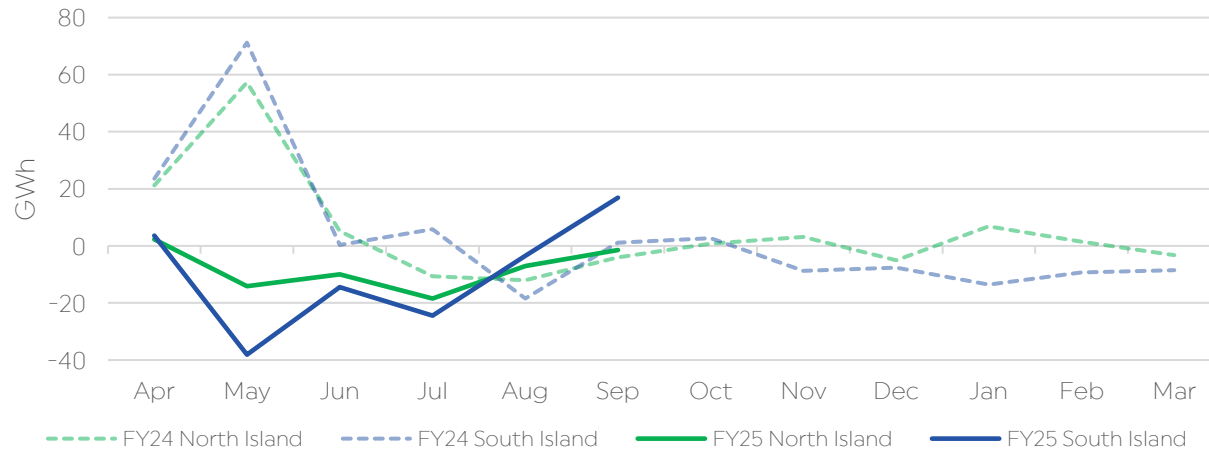
NI **0.99**  
SI **1.17**

Generation Weighted Average Price (GWAP)

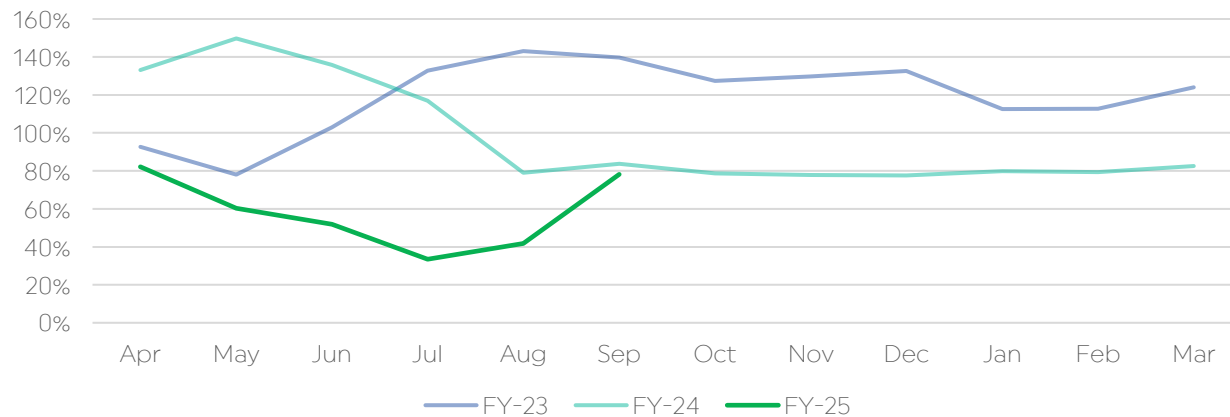
	Q2		YTD	
	FY25	FY24	FY25	FY24
North Island	288	125	279	106
South Island	375	127	328	110
<b>NZ</b>	<b>331</b>	<b>126</b>	<b>304</b>	<b>108</b>

# Generation

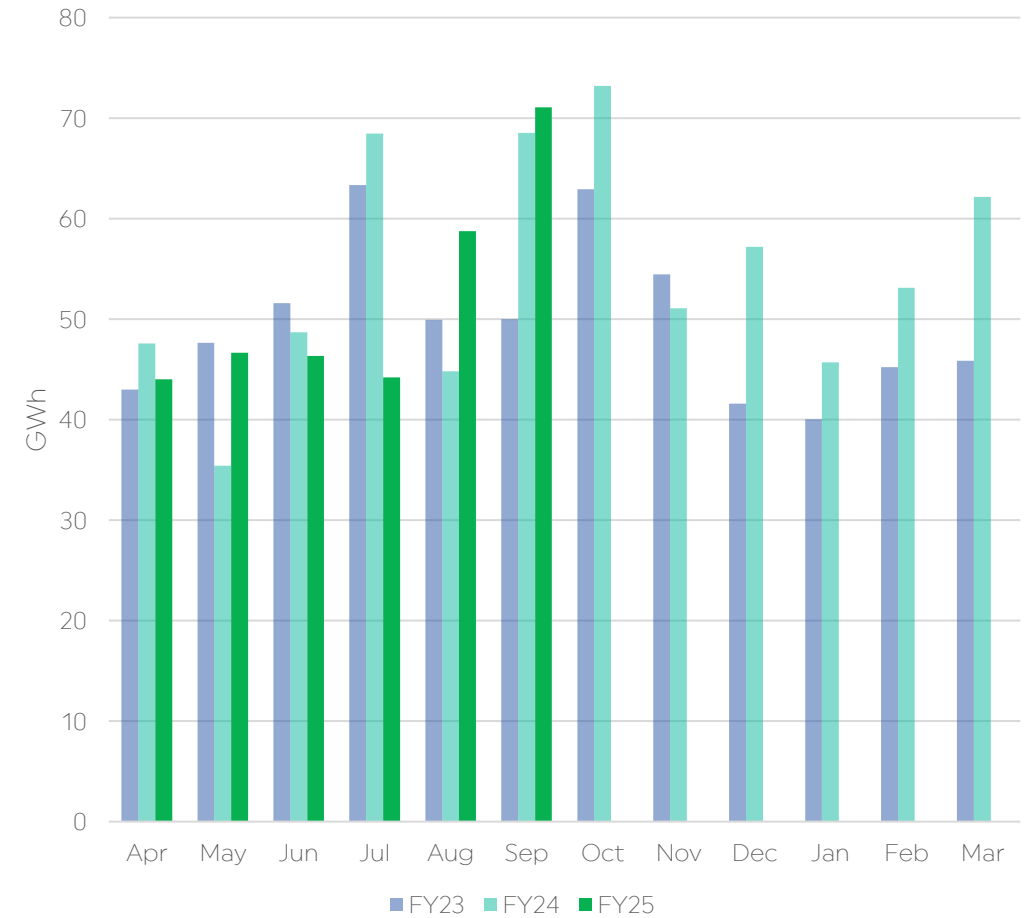
Inflow variance to long-run average (incl spill)



Manawa Lake Levels - % of long-run average

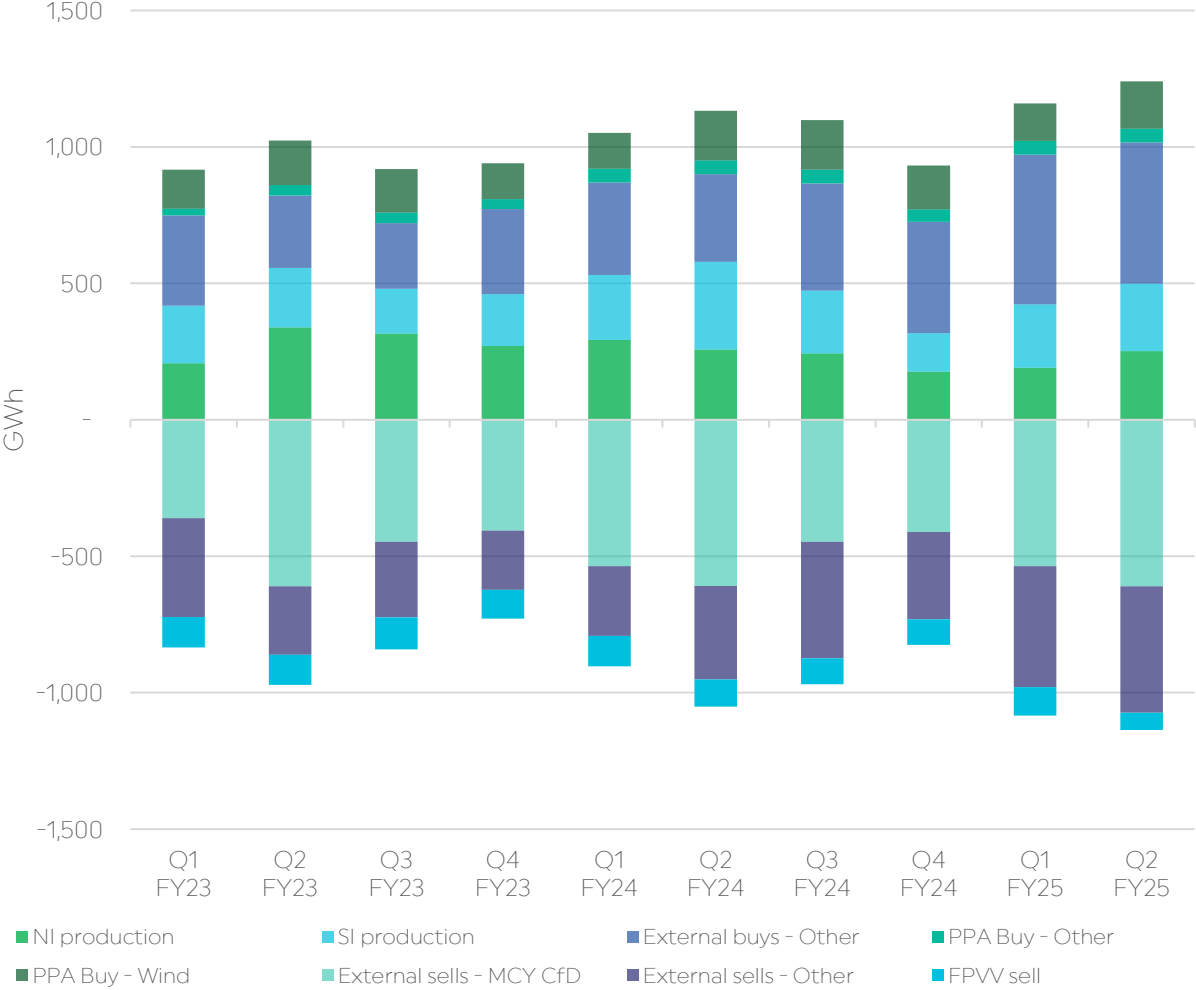


Wind PPA Volumes

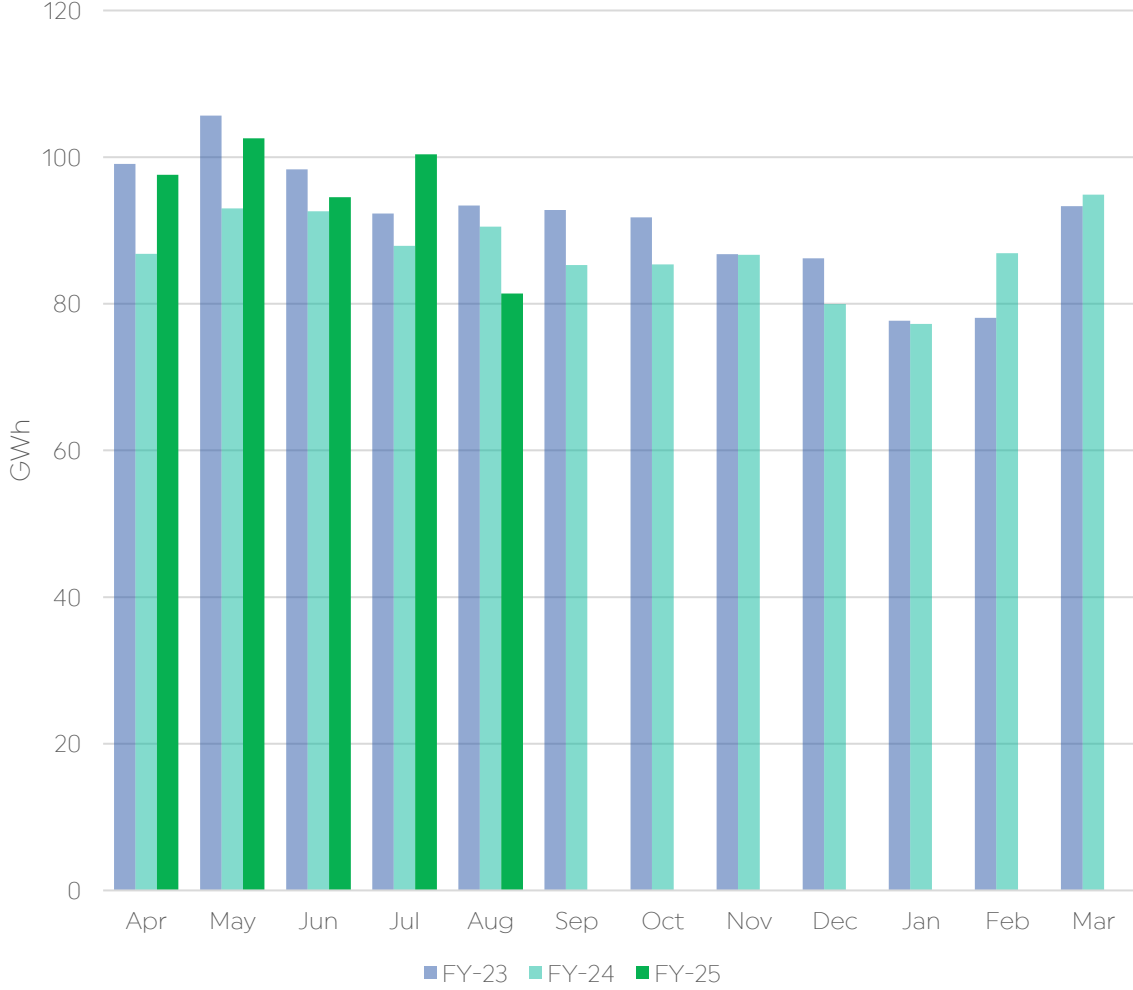


# Portfolio

Portfolio balance



C&I Customer Volumes



# Operating statistics

Component	FY25						FY24								
	Q2			YTD			Q2			YTD			Full year		
	VOL	GWAP/ Netback	LWAP/ Cost	VOL	GWAP/ Netback	LWAP/ Cost	VOL	GWAP/ Netback	LWAP/ Cost	VOL	GWAP/ Netback	LWAP/ Cost	VOL	GWAP/ Netback	LWAP/ Cost
	<i>GWh</i>	<i>\$/MWh</i>	<i>\$/MWh</i>	<i>GWh</i>	<i>\$/MWh</i>	<i>\$/MWh</i>	<i>GWh</i>	<i>\$/MWh</i>	<i>\$/MWh</i>	<i>GWh</i>	<i>\$/MWh</i>	<i>\$/MWh</i>	<i>GWh</i>	<i>\$/MWh</i>	<i>\$/MWh</i>
North Island production	252	288	-	443	279	-	257	125	-	550	106	-	970	132	-
South Island production	246	375	-	478	328	-	322	127	-	560	110	-	931	131	-
PPA buys	225	232	94	413	233	94	233	111	83	415	90	82	852	118	71
Wind	174			311			182			313			656		
Other	51			102			51			101			196		
Other buys	517	303	186	1,066	279	176	321	122	158	660	100	151	1,460	137	138
External sells	(1,073)	127	311	(2,052)	128	288	(952)	116	124	(1,743)	114	105	(3,348)	111	135
MCYCFD	(610)			(1,146)			(608)			(1,144)			(2,003)		
Other	(463)			(906)			(343)			(599)			(1,346)		
C&I FPV sell	(95)	180	315	(197)	176	292	(96)	156	129	(202)	158	108	(383)	146	138
C&I Spot sell	(163)			(355)			(168)			(334)			(664)		
Other Information															
Resource consent non-compliance events <sup>^</sup>		2			5			4			8			17	
Recordable Injuries*		0			0			0			2			8	
Staff numbers (FTE)		215			215			234			234			224	

<sup>^</sup> Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority. The number of historically reported non-compliance events are subject to change given timings in confirmation of non-compliance.

\* Including contractor injuries



# Glossary

Term	Definition
ASX	Electricity futures market
BEN	Benmore reference pricing node
C&I	Commercial and Industrial customers
FPVV	Fixed Price Variable Volume
FTE	Full Time Equivalent
FY	Financial Year ending 31 March
GWAP	Generation Weighted Average Price – Average revenue per unit of generation.
GWh	Gigawatt hour(s) – unit of energy
KCE	King Country Energy
LY	Last year
LWAP	Load Weighted Average Price – Average cost of energy per unit
Main lakes/Storage lakes	Waipori, Cobb, and Coleridge schemes.
MWh	Megawatt hour(s) – unit of energy
NI	North Island

Term	Definition
Netback	Customer revenue less all direct costs of sale (excluding energy costs)
NI GWAP/TWAP	Average revenue per unit of North Island generation referenced to Otahuhu
OTA	Otahuhu reference pricing node
pcp	Prior corresponding period
PPA	Power Purchase Agreement – A long-term contract between an electricity generator and an offtake customer
Recordable Injury	Lost Time Injury (LTI) or Medical Treatment Injury (MTI)
RoR	Run-of-River. A scheme classification that denotes no (or very little) ability to store water.
SI	South Island
SI GWAP/TWAP	Average revenue per unit of South Island generation referenced to Benmore
TWAP	Time-Weighted Average Price
Var	Variance
YoY	Year-On-Year
YTD	Year-To-Date