

Monthly Operating Report

February 2024



February overview.

For the month of February 2024

- » The Customer business recorded:
 - Mass market electricity and gas sales of 252GWh (February 2023: 251GWh)
 - Mass market netback of \$139.62/MWh (February 2023: \$119.90/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 640GWh (February 2023: 509GWh)
 - Electricity and steam net revenue of \$116.14/MWh (February 2023: \$102.50/MWh)
 - Electricity generated (or acquired) of 671GWh (February 2023: 542GWh)
 - The unit generation cost, which includes acquired generation was \$46.21/MWh (February 2023: \$37.26/MWh)
 - Own generation cost in the month of \$41.60/MWh (February 2023: \$37.30/MWh)
- » Tauhara project progress vs. target for February 2024 was 99% vs. 100%¹.
- » Te Huka 3 project progress vs. target for February 2024 was 80% vs. 80%¹.
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2024 (ASX):
 - As at 7 March 2024: \$200/MWh
 - As at 29 February 2024: \$190/MWh
 - As at 31 January 2024: \$185/MWh
- » As at 10th March 2024, South Island controlled storage was 87% of mean and North Island controlled storage was 140% of mean.
 - » As at 10th March 2024, total Clutha scheme storage was 78% of mean.
 - » Inflows into Contact's Clutha catchment for February 2024 were 93% of mean. (January 2024: 145%, December 2023: 69%, November 2023: 68%)
- » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 8.26PJ².

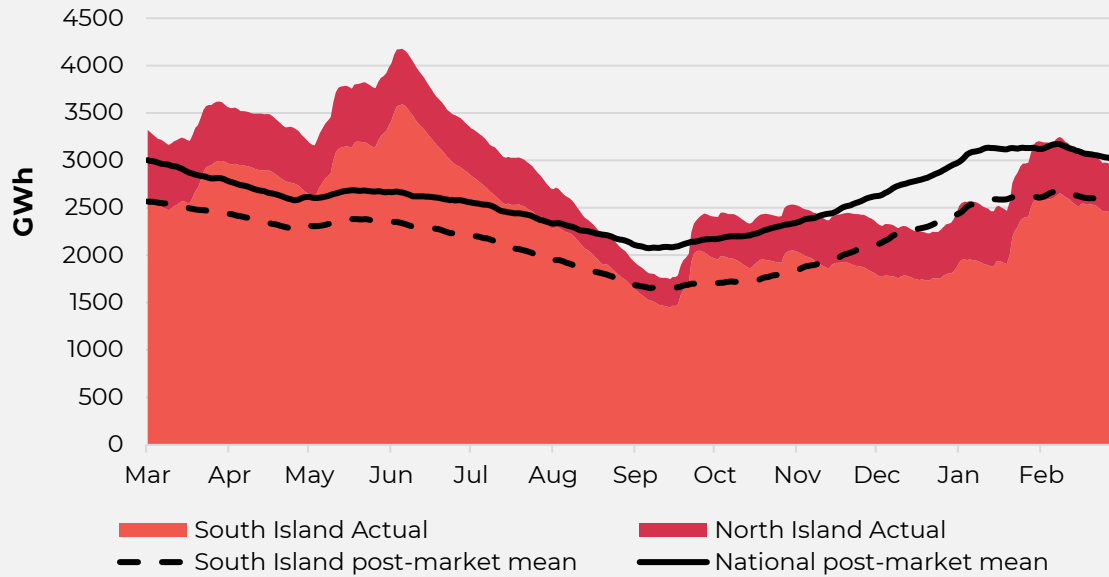
¹ The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded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

² This incorporates the lower bound of the range notified by our suppliers as disclosed to the market on 7 March 2024.

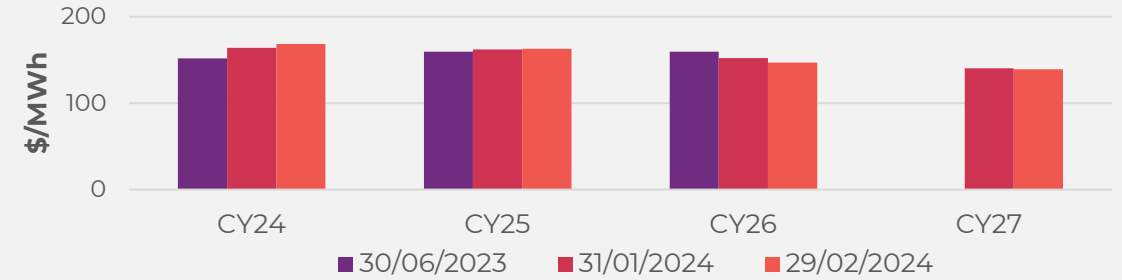
Hydro storage and forward prices.

New Zealand controlled hydro storage against mean
12 MONTHS

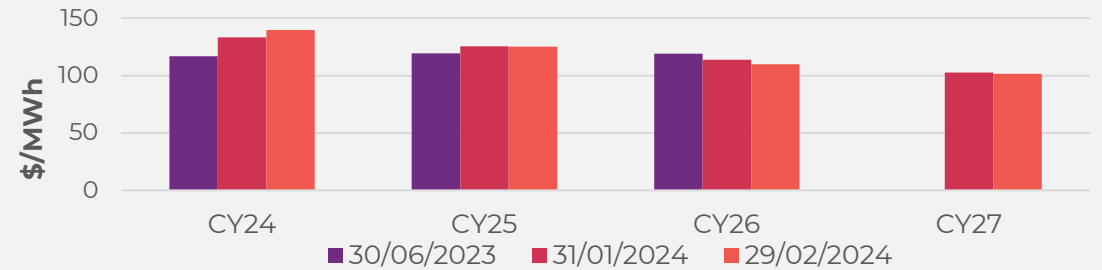


ASX futures settlement

Otahuhu

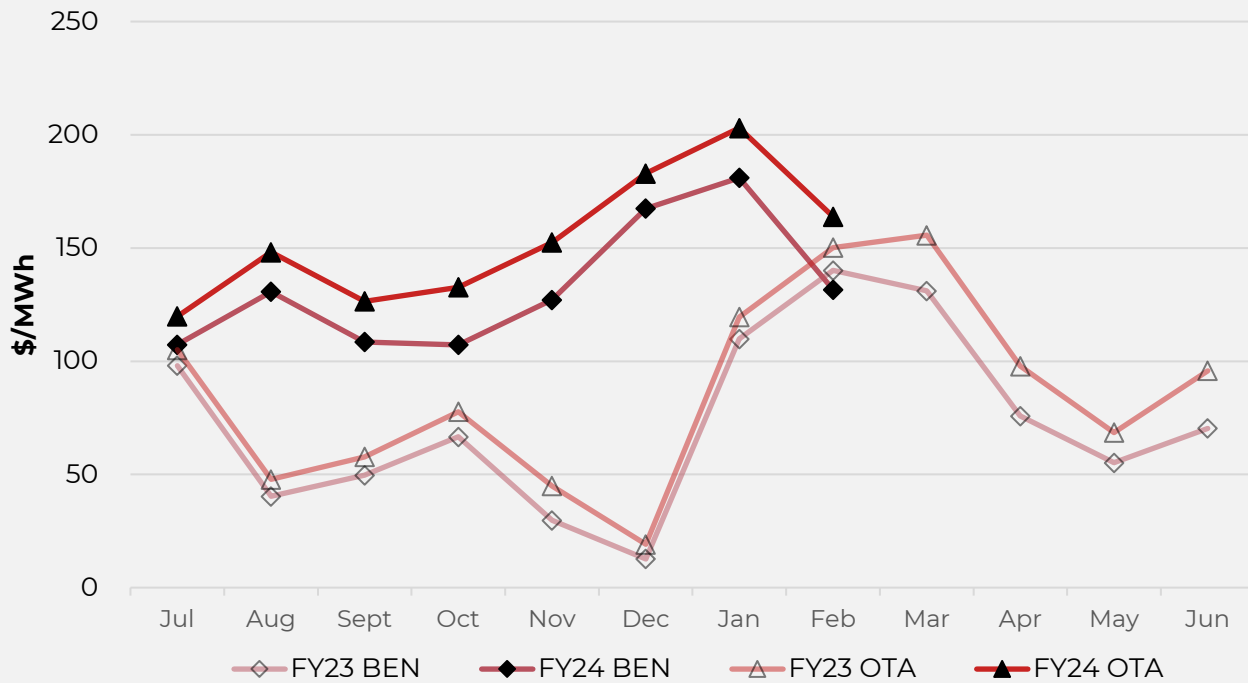


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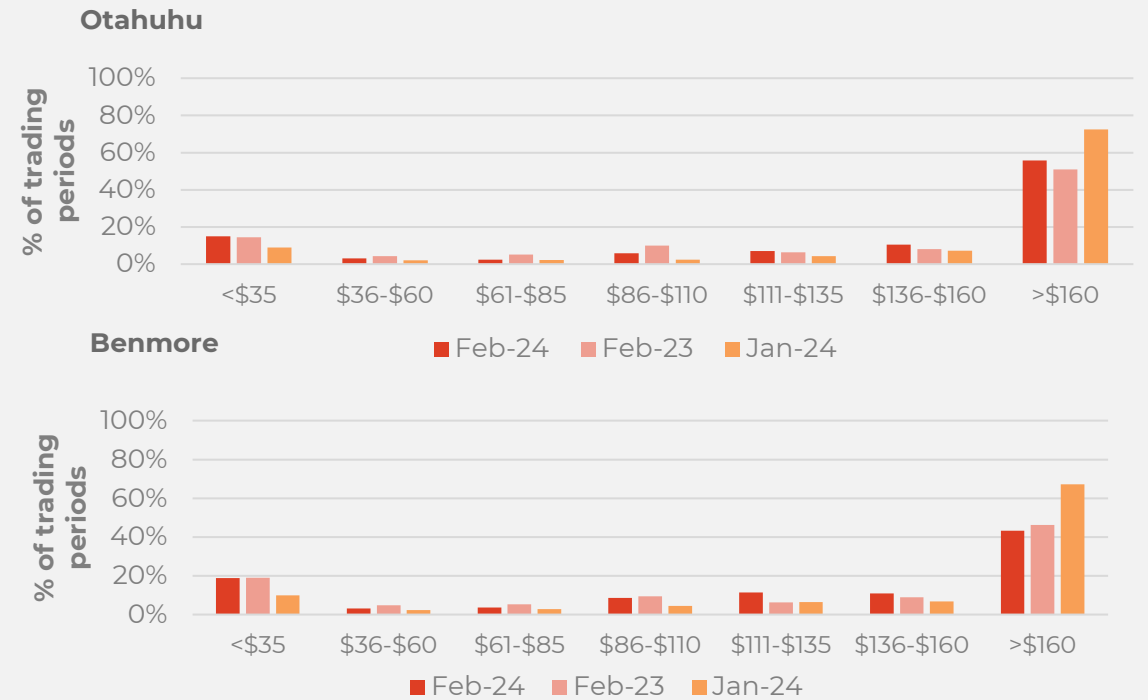


Wholesale market.

Wholesale electricity pricing



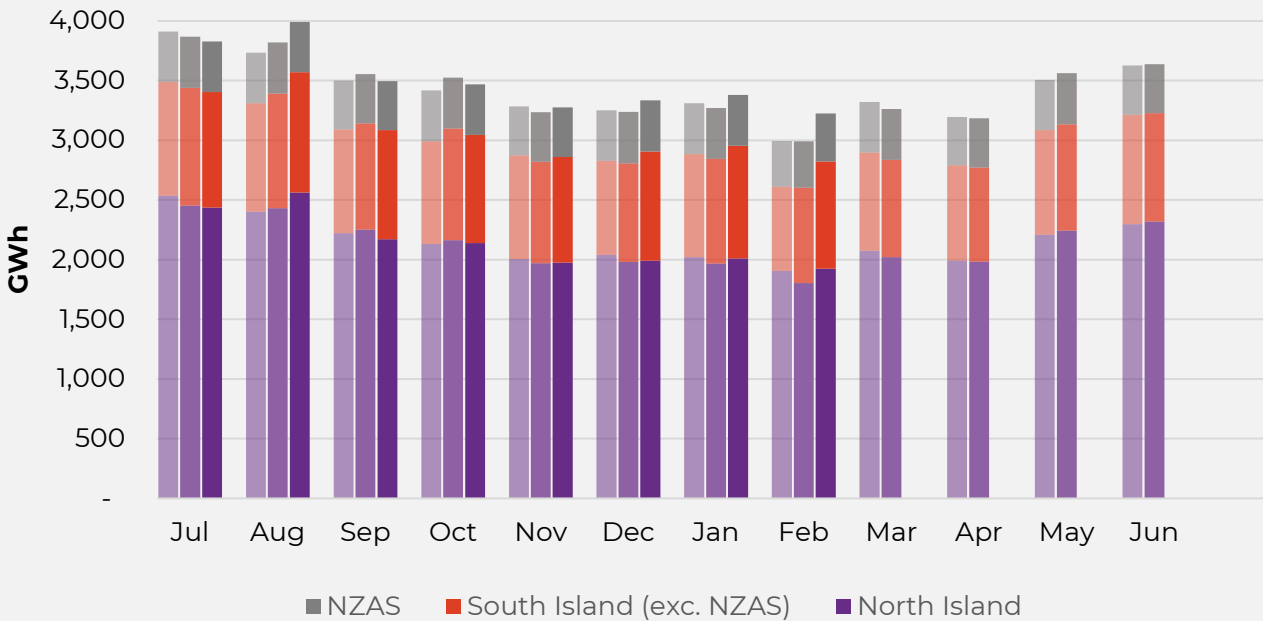
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

FY22, 23 and 24 respectively



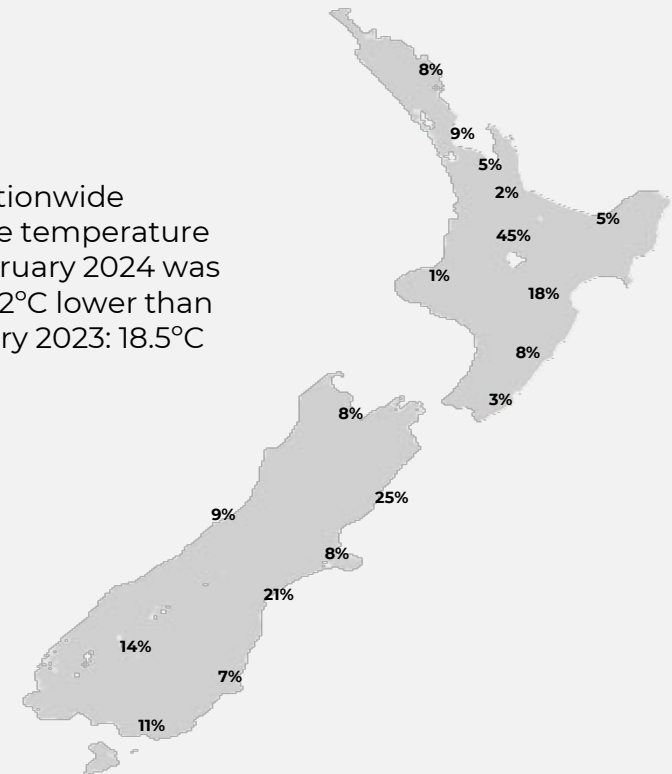
» New Zealand electricity demand was up 7.8% on February 2023 (up 7.7% on February 2022)¹.

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

¹ Note this increase in demand for February YoY is greater than usual due to it being a leap year, so February has an extra day of demand compared to the past 2 years.

Regional demand change (%) on February 2023

The nationwide average temperature for February 2024 was 17.3C, 1.2C lower than February 2023: 18.5C

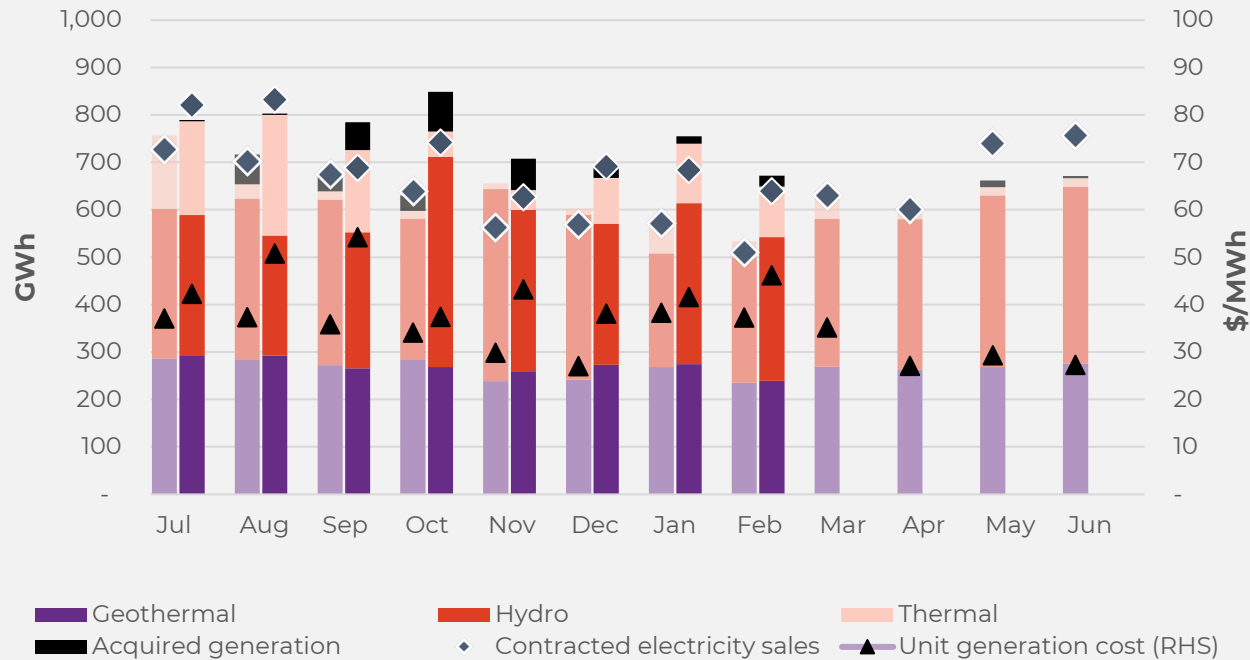


Regional demand is excluding NZAS

Business performance.

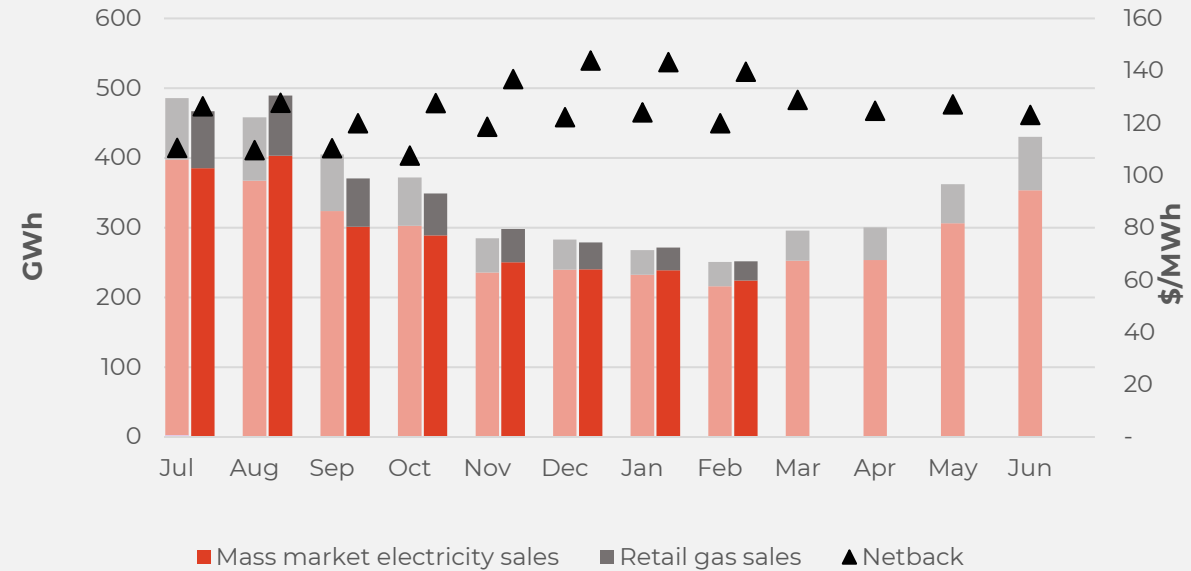
Wholesale

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 February 24	The month ended February 23	The month ended January 24	Eight months ending February 24	Eight months ending February 23	
Retail	Mass market electricity sales	GWh	225	216	239	2,334	2,314
	Retail gas sales	GWh	27	35	33	443	491
	Mass market electricity and gas sales	GWh	252	251	272	2,777	2,805
	Average electricity sales price	\$/MWh	307.69	284.83	311.17	286.07	264.30
	Electricity direct pass thru costs	\$/MWh	(138.95)	(131.44)	(137.03)	(123.92)	(120.16)
	Cost to serve	\$/MWh	(22.65)	(21.97)	(22.61)	(17.73)	(16.34)
	Customer netback	\$/MWh	139.62	119.90	143.32	131.64	114.07
	Energy cost	\$/MWh	(129.94)	(117.88)	(124.49)	(129.42)	(112.33)
	Actual electricity line losses	%	6%	7%	7%	6%	6%
	Retail gas sales	PJ	0.1	0.1	0.1	1.6	1.8
	Electricity ICPs	#	431,000	425,500	429,500	431,000	428,000
Gas ICPs	#	70,500	69,500	70,500	70,500	70,500	
Broadband connections	#	93,000	82,000	91,000	89,500	76,500	
Wholesale	Electricity sales to Customer business	GWh	238	233	258	2,485	2,470
	Electricity sales to Commercial and Industrial	GWh	130	123	134	950	1,084
	Electricity CFD sales	GWh	271	152	292	2,290	1,397
	Contracted electricity sales	GWh	640	509	684	5,725	4,951
	Steam sales	GWh	15	53	5	138	430
	Total electricity and steam net revenue ¹	\$/MWh	116.14	102.50	113.64	121.73	102.39
	C&I netback (at the ICP)	\$/MWh	115.70	110.58	111.47	120.43	115.11
	C&I line losses	%	4%	4%	4%	4%	4%
	Thermal generation	GWh	107	35	125	1,049	341
	Geothermal generation	GWh	239	235	274	2,166	2,109
	Hydro generation	GWh	303	264	339	2,559	2,556
	Spot electricity sales	GWh	649	534	739	5,774	5,007
	Electricity sales – Direct	GWh	-	8	-	-	62
	Acquired generation	GWh	22	0	16	277	131
	Electricity generated (or acquired)	GWh	671	542	755	6,051	5,200
	Unit generation cost (including acquired generation) ²	\$/MWh	(46.21)	(37.26)	(41.59)	(44.26)	(34.65)
	Spot electricity purchases	GWh	(368)	(349)	(392)	(3,435)	(3,493)
	CFD sale settlements	GWh	(271)	(152)	(292)	(2,290)	(1,397)
	Spot exposed purchases / CFD settlement	GWh	(640)	(501)	(684)	(5,725)	(4,890)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	153.22	151.84	189.09	141.41	73.87
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(158.68)	(158.50)	(199.28)	(148.09)	(82.19)
LWAP/GWAP	%	104%	104%	105%	105%	111%	
Gas used in internal generation	PJ	0.9	0.5	1.0	8.6	4.8	
Gas storage net movement (extraction) / injection	PJ	0.1	0.1	0.1	(0.4)	2.2	
Progress tracking actual (<i>target</i>) for Tauhara (grey) and Te Huka 3 (no fill)	%	99% (100%)	80% (80%)	N/A	99% (100%)	78% (76%)	
Contact	Total customer connections	#	602,000	583,000	599,000	597,500	580,000
	Realised gains / (losses) on market derivatives not in a hedge relationship ³	\$m	(0.89)	(1.52)	(0.63)	(3.84)	(13.33)

¹ 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.

² Unit generation costs are calculated excluding the impact of an onerous provision for the Ahuroa Gas Storage facility (AGS).

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

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 F24	Q2 FY23
Climate Change*	Greenhouse Gas (GHG) Emissions from generation assets ¹	kt CO ² -e	144	111
	GHG intensity of generation ²	kt CO ² -e / GWh	0.069	0.060
Water	Water Freshwater take ³	Million cubic metres	0.50	0.60
	Non-consumptive water usage ⁴	Million cubic metres	4,285	4,630
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	3.5	2.90
Biodiversity	Native rākau (trees) planted by Contact ⁵	#	2,516	26,364
	Pests caught ⁶	#	508	643
Community	Community initiatives and organisations supported	#	44	22
Inclusion and Diversity	Board	% Women/ % Men	50% / 50%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	20% / 80%
Inclusion and Diversity	Employee Gender balance ⁷	% Women/ % Men	47% / 53%	46% / 53%

Note: This information is updated quarterly (September, January, March, June)

¹ Scope 1 – Stationary combustion. In FY23 stationary combustion was 99.94% 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. Please note the Te Rapa power station closed in June 2023, contributing to the decrease in this figure

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. 1.6% and 1.4% unspecified in Q2 FY24 and Q2 FY23 respectively.






Keep in touch.

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