

Quarterly Operating Report | Q2-23 | September 2022



Quarterly Insights

ASX curve lifts again, spot prices volatile

Forward ASX pricing rose over the quarter in all forward years by around 10%. This follows increases across every quarter since December 2021. Spot pricing over the period was volatile, with weekly average Benmore pricing averaging \$67/MWh (range between \$167/MWh and \$5/MWh) and Haywards averaging \$70/MWh (range between \$171/MWh and \$7/MWh).

Inflows and Storage rise

National storage rose dramatically across the quarter, starting at 74% of the 10-year average and finishing at 149%. Manawa inflows were also very strong across the period, up 214 GWh (41%) on average. YTD Manawa inflows are 21% above average. Manawa storage rose from 103% of average to 140%.

Generation volumes

Total Q2-23 generation volumes were 557 GWh. This is 2% lower than the pcp due to deliberate decisions to retain water in storage where possible despite high inflows. YTD generation volumes are 2% lower than the pcp.

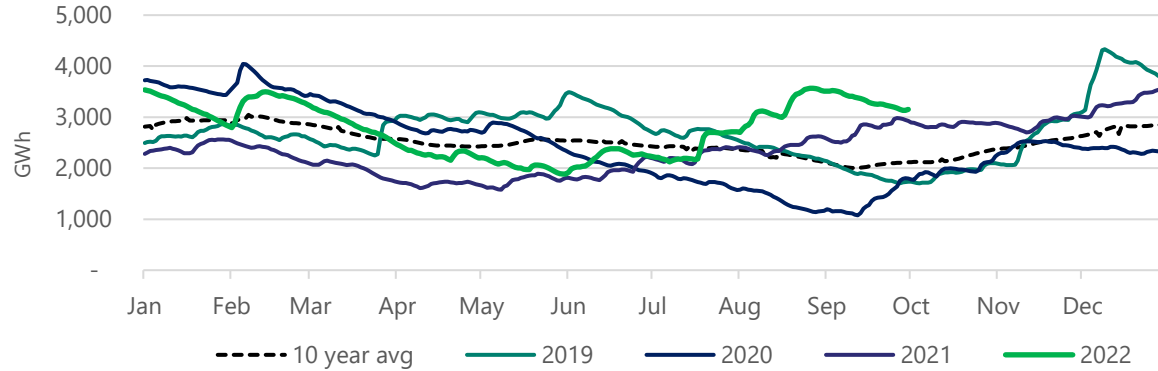
North Island volumes across Q2 were significantly higher (27%) than the pcp due to high inflows into our run-of-river schemes (all NI schemes are ROR), whilst Q2 South Island volumes were 27% below the pcp due to deliberate storage of water. The selective use of water in the South Island is the driver for the Q2 GWAP/TWAP of 1.35 for South Island.

C&I customer volumes

Customer volumes are down in the most recent quarter (vs the pcp). This is driven by both reduced consumption for those customers who were current across all periods, plus customer losses in the intervening months.

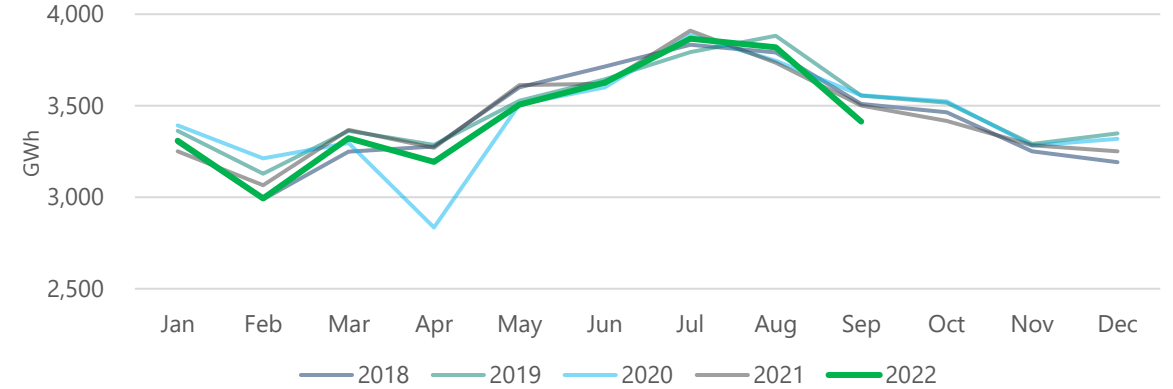
Wholesale Electricity Market

National Controlled Storage

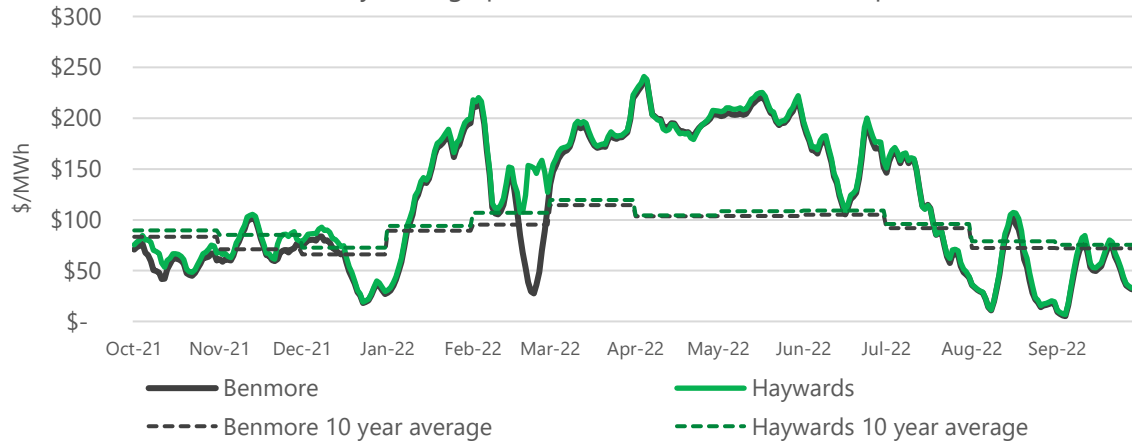


SOURCE: NZX Hydro

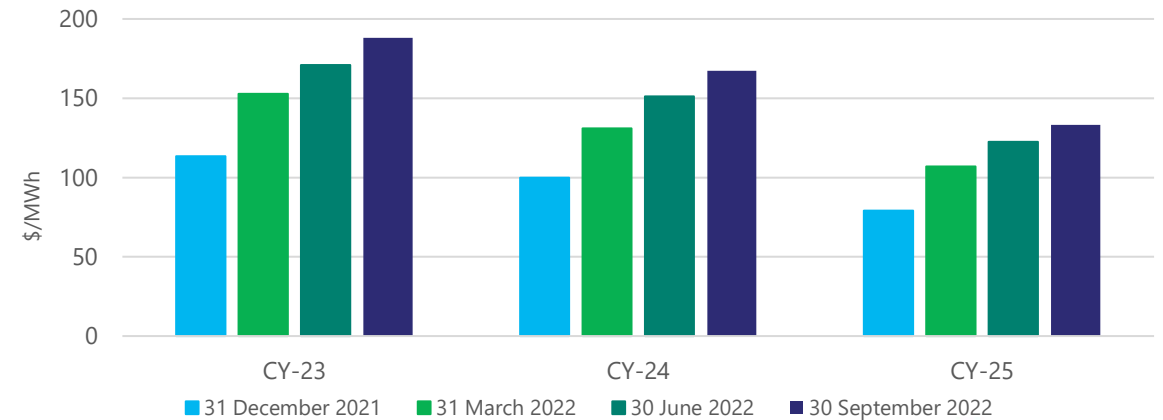
National Demand



Weekly average prices - 12 months to end of Sep 2022

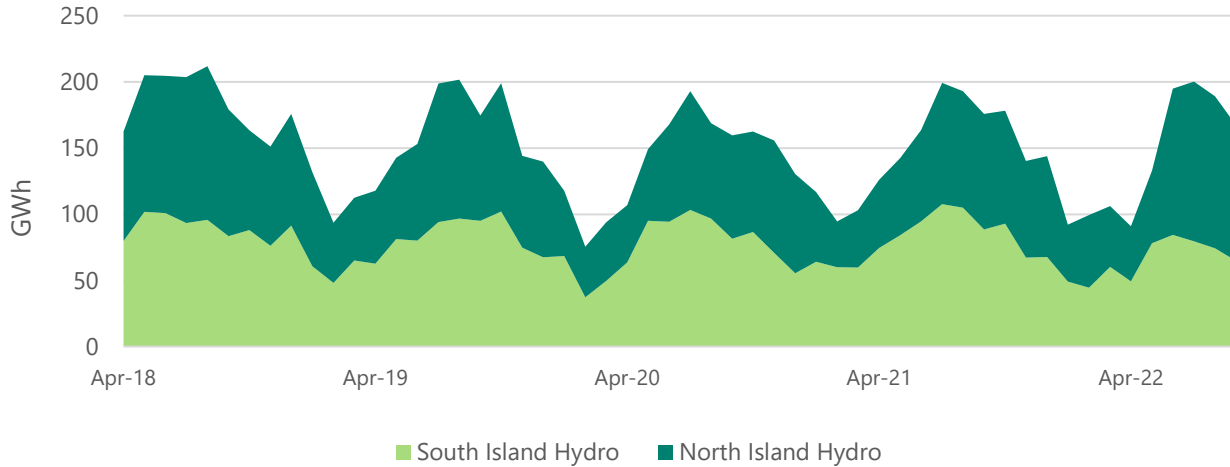


Benmore ASX Futures Settlement Prices

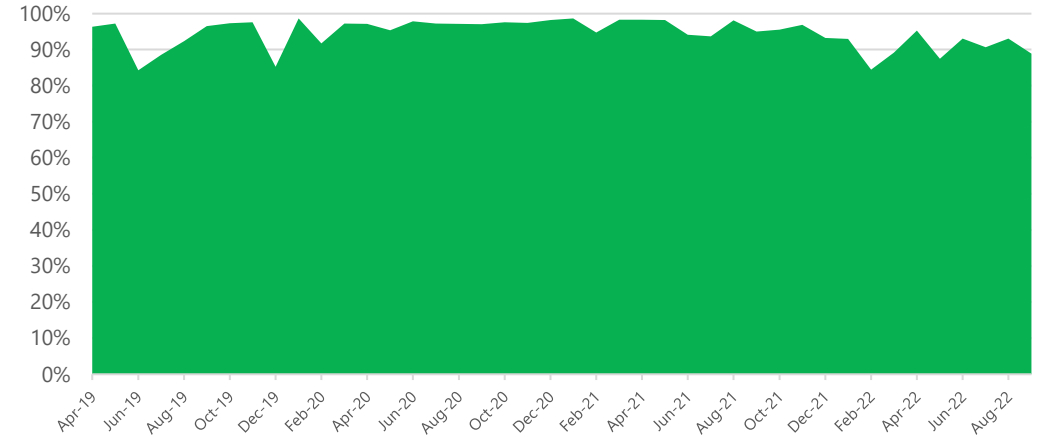


Generation

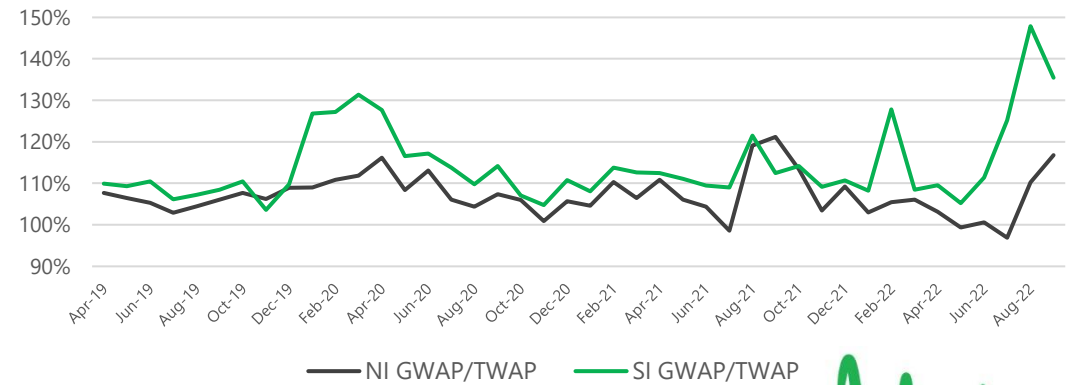
Monthly Generation Volumes



Percentage of Potential Revenue Achieved



GWAP / TWAP



Q2-23
NI Generation
↑27%
vs pcp

Q2-23
SI Generation
↓27%
vs pcp

Q2-23 GWAP/TWAP
NI **1.06**
SI **1.35**

\$75/MWh

New Zealand Load Weighted Average Price (LWAP)

\$75/MWh

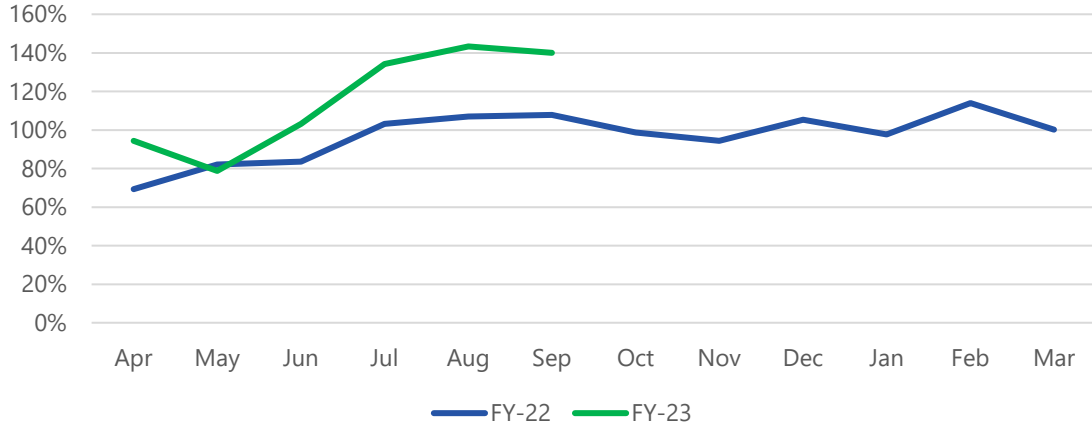
New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q2 Prices

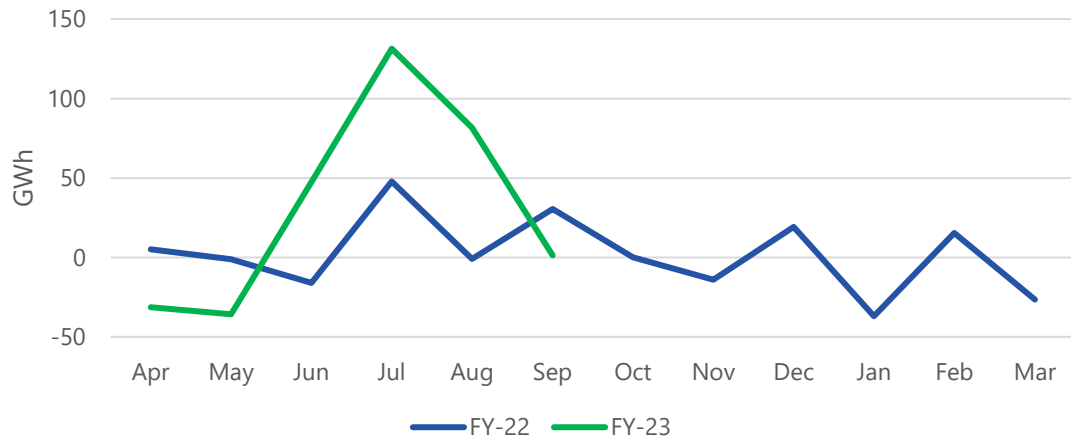


Generation

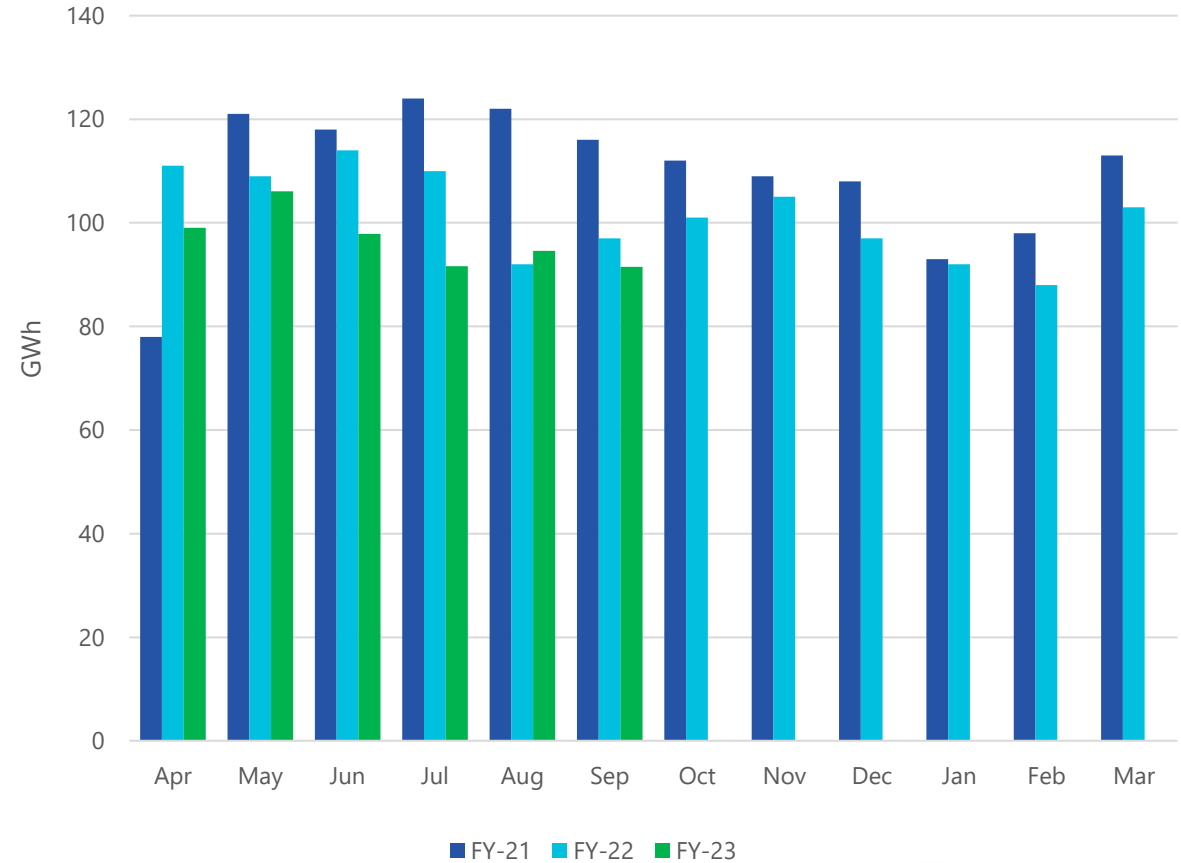
Manawa Lake Levels - % of long term average



Inflow variance to long term average



C&I Customer Volumes



Operating stats

	Q1 FY-21	Q1 FY-22	Q1 FY-23	Q2 FY-21	Q2 FY-22	Q2 FY-23	Q3 FY-21	Q3 FY-22	Q3 FY-23	Q4 FY-21	Q4 FY-22	Q4 FY-23
Sales												
MM Retail sales (GWh)*	480	474	129	571	603	-	402	387		371	355	
C&I sales - Fixed Price (GWh)	113	104	109	137	102	105	125	104		108	97	
C&I sales - Spot (GWh)	204	231	194	224	196	172	203	200		195	186	
MCY sales (GWh)	-	-	360	-	-	610	-	-		-	-	
Total Sales (GWh)	797	809	792	932	901	887	730	691		674	638	
LWAP (\$/MWh)	128	288	200	140	156	75	116	75		219	176	
Generation Production and Procurement												
North Island generation production (GWh)	171	179	207	240	267	338	236	235		130	144	
South Island generation production (GWh)	253	253	212	282	301	219	213	228		184	154	
Wind PPA offtake (GWh)	147	150	142	177	169	163	163	152		118	128	
Net other external procurement (GWh)	97	94	121	66	52	59	60	67		131	119	
Total Production and Procurement (GWh)	668	676	682	764	790	779	672	681		563	545	
GWAP (\$/MWh)	130	287	189	139	148	75	112	72		218	171	
Other Information												
Resource consent non-compliance events [^]	1	1	3	2	2	2	6	2		1	-	
Recordable Injuries ^{**}	1	4	2	4	2	1	7	6		2	6	
Staff numbers (full time equivalents)	806	790	233	813	766	236	816	789		801	777	

* MM Retail business sold on 1st May 2022.

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

^{**} Recordable injuries now includes contractor injuries; historic numbers have been re-stated.

Operating stats

	YTD FY-21	YTD FY-22	YTD FY-23	Full Year FY-21	Full Year FY-22	Full Year FY-23
Sales						
MM Retail sales (GWh)*	1,051	1,077	129	1,824	1,819	
C&I sales - Fixed Price (GWh)	250	206	214	483	407	
C&I sales - Spot (GWh)	428	427	366	826	813	
MCY sales (GWh)	-	-	970	-	-	
Total Sales (GWh)	1,729	1,710	1,679	3,133	3,039	
LWAP (\$/MWh)	134	217	152	147	176	
Generation Production and Procurement						
North Island generation production (GWh)	410	446	545	777	824	
South Island generation production (GWh)	535	554	431	931	936	
Wind PPA offtake (GWh)	324	320	305	605	599	
Net other external procurement (GWh)	163	146	180	354	332	
Total Production and Procurement (GWh)	1,432	1,466	1,461	2,667	2,692	
GWAP (\$/MWh)	135	208	124	144	166	
Other Information						
Resource consent non-compliance events^	3	3	5	10	5	
Recordable Injuries**	5	6	3	14	18	
Staff numbers (full time equivalents)	813	766	236	801	777	

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Glossary

Term	Definition
Asset Availability	Total hours asset(s) available or operating/Total hours in month. Excluding planned outages.
C&I	Commercial and Industrial customers
EOM	End Of Month
FTE	Full Time Equivalent
Gross Margin	Gross Revenue – Direct Cost of Sales
GWAP	Generation Weighted Average Price – Average revenue per unit reference to Benmore for South Island and Whakamaru for North Island.
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 for the retail business
Main lakes	Waipori, Cobb and Coleridge schemes.
MWh	Megawatt hour(s) – unit of energy

Term	Definition
NI	North Island
OPEX	Operating expenditure
pcp	Prior corresponding period
Percentage of Potential Revenue Achieved	Total monthly Manawa Energy (excluding KCE) generation spot revenue less the value of lost market revenue due to outages, expressed as a percentage.
Recordable Injury	Lost Time and Medical Treatment Injuries
ROR	Run-of-River. A scheme classification that denotes no (or very little) ability to store water).
SI	South Island
TRIFR	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
TWAP	Time-Weighted Average Price
Var	Variance
YoY	Year-On-Year
YTD	Year-To-Date

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