

Quarterly Operating Report | Q3-23 | December 2022



Quarterly Insights

Spot prices suppressed

Spot pricing over the period was generally low, with weekly average Benmore pricing averaging \$38/MWh and Haywards averaging \$44/MWh.

Inflows and Storage

National storage rose slightly in absolute terms across the quarter, however ended lower compared to the 10-year average - starting at 143% of the 10-year average and finishing at 116%. Manawa inflows were strong across the period, up 48 GWh (11%) on average. This was driven by very strong North Island inflows, partially offset by below-average South Island inflows. YTD Manawa inflows are 17% above average. Manawa storage increased to end the period at 133% of average.

Generation volumes

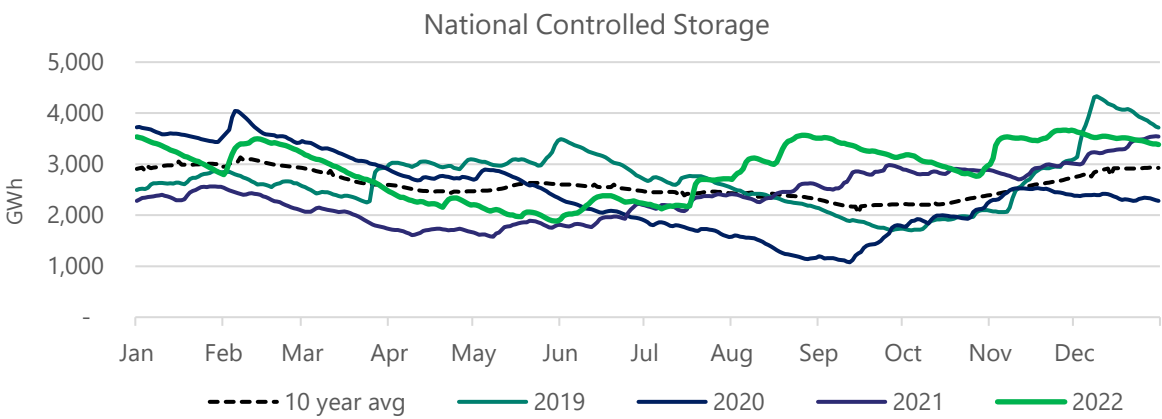
Total Q3-23 generation volumes were 481 GWh. This is 4% higher than the pcg due to North Island volumes being 35% higher than the pcg offset by South Island volumes 28% lower. YTD generation volumes are in line with the pcg in total, however this is made up of higher North Island volumes (27% higher), and lower South Island volumes (24% lower).

The selective use of stored water in the South Island (due to lower inflows and deliberate storage decisions) is the main driver for the Q3 GWAP/TWAP of 1.40 for the South Island.

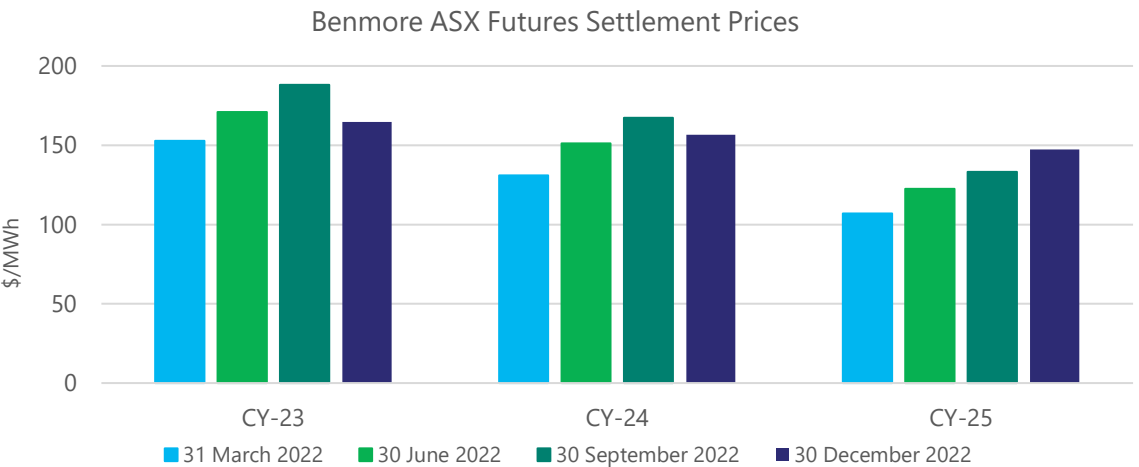
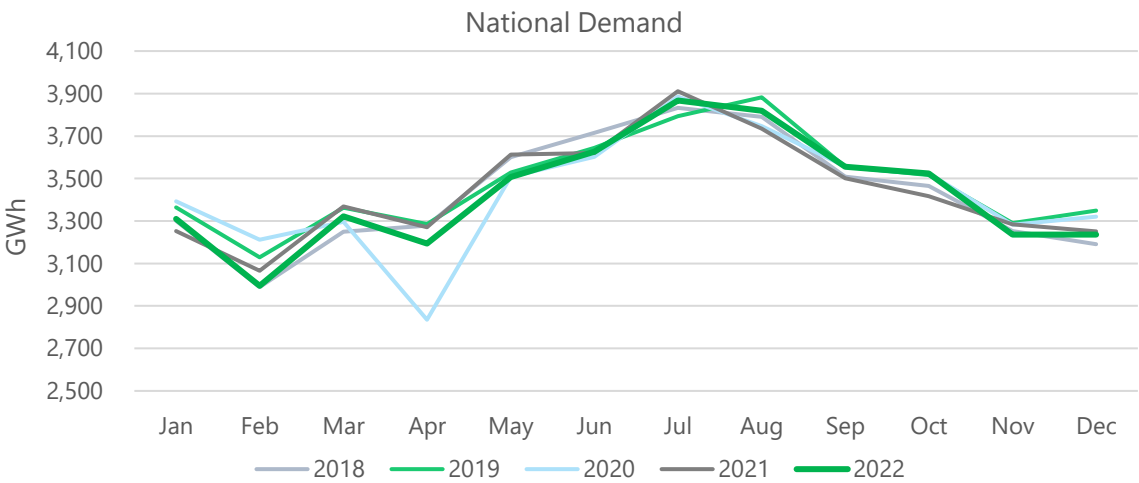
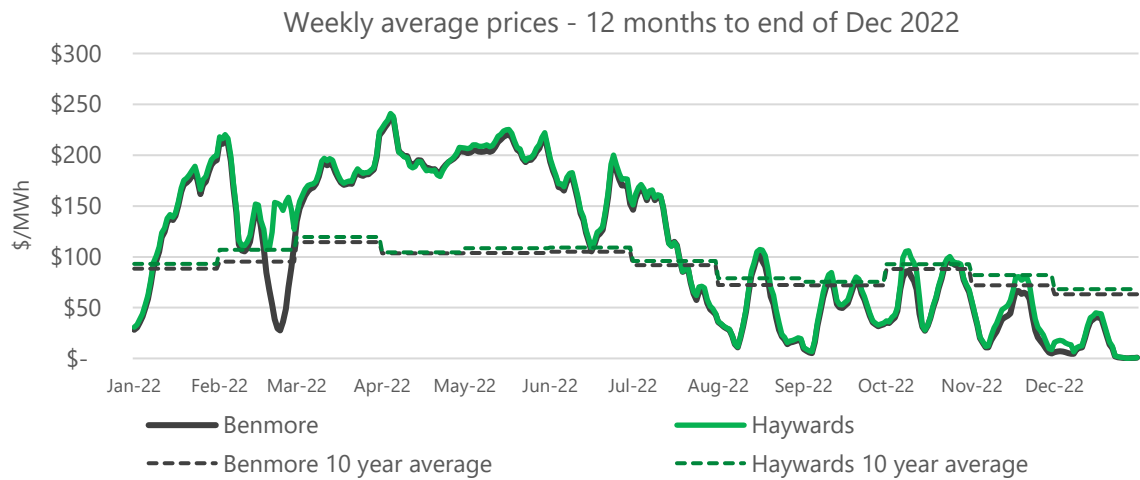
C&I customer volumes

The recent volume reduction in C&I sales is principally due to not re-contracting a single, large, wholesale-priced customer. Over the recent 3-6 months we have renewed contracts with several large C&I customers despite competitive and volatile market conditions and continue to see positive opportunities for growth in the segment.

Wholesale Electricity Market

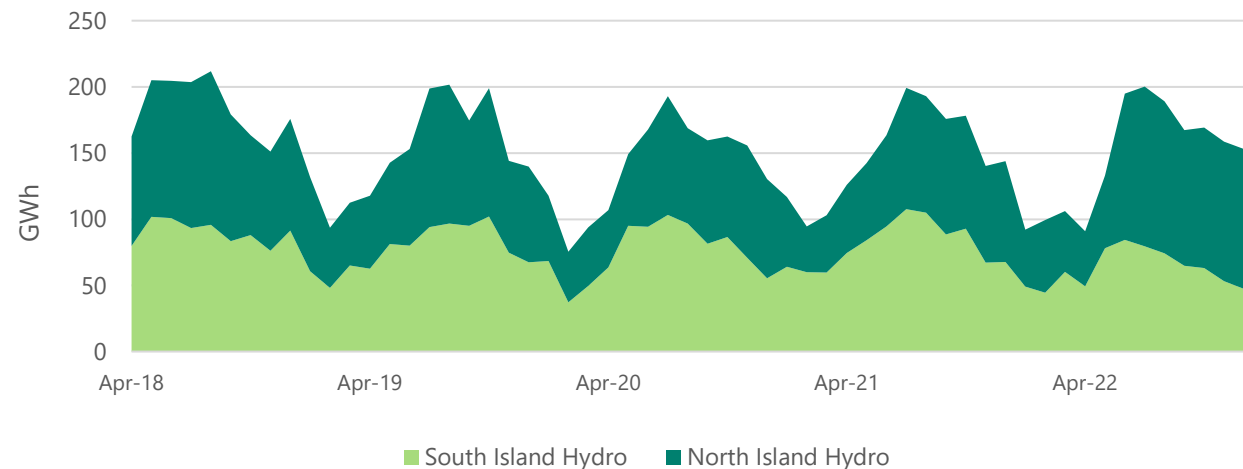


SOURCE: NZX Hydro



Generation

Monthly Generation Volumes



**Q3-23
NI Generation**
↑35%
vs pcp

**Q3-23
SI Generation**
↓28%
vs pcp

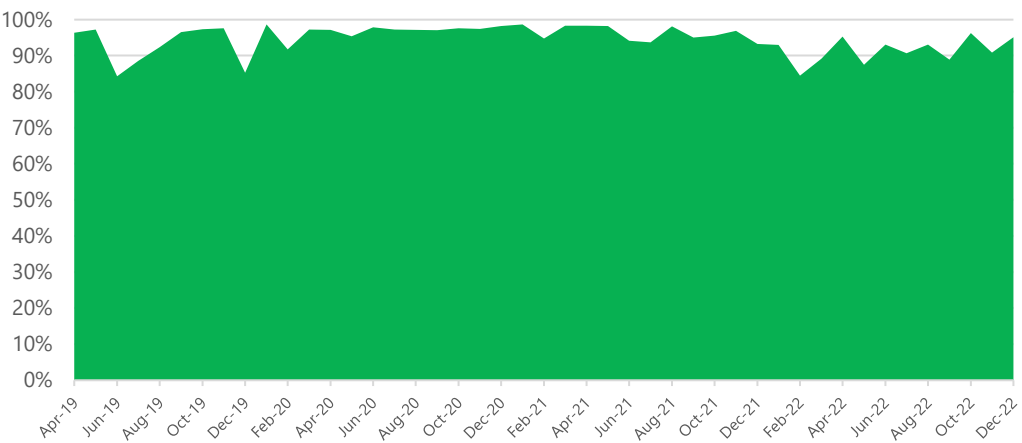
Q3-23 GWAP/TWAP
NI 1.08
SI 1.40

\$48/MWh
\$49/MWh

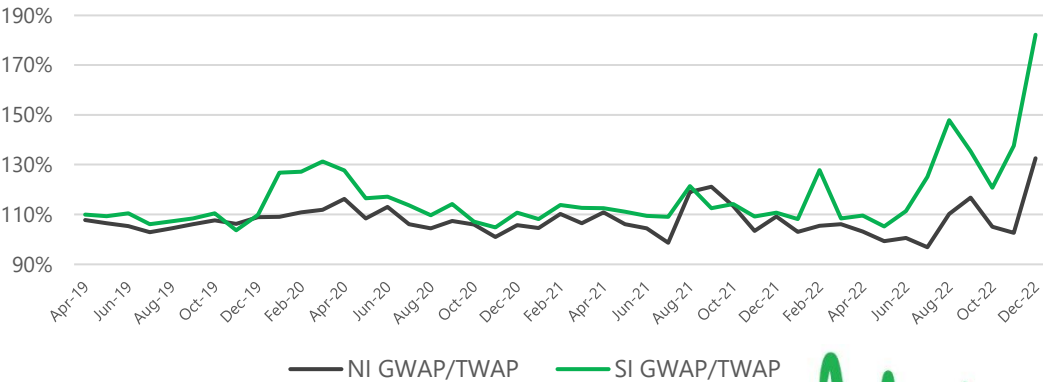
New Zealand Load Weighted Average Price (LWAP)
New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q3 Prices

Percentage of Potential Revenue Achieved

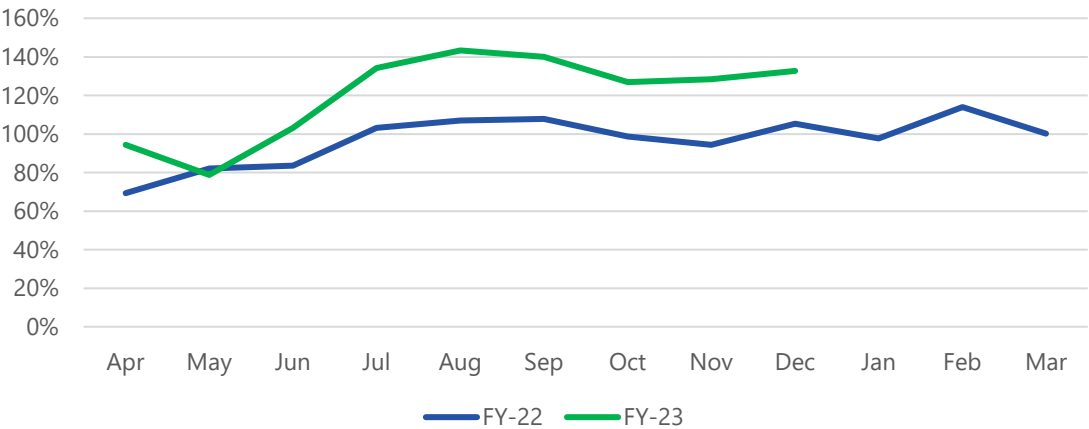


GWAP / TWAP

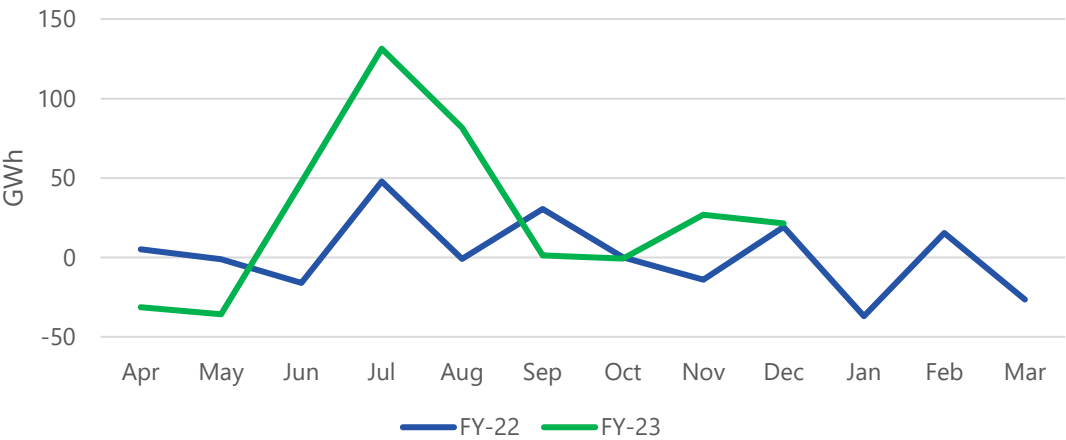


Generation

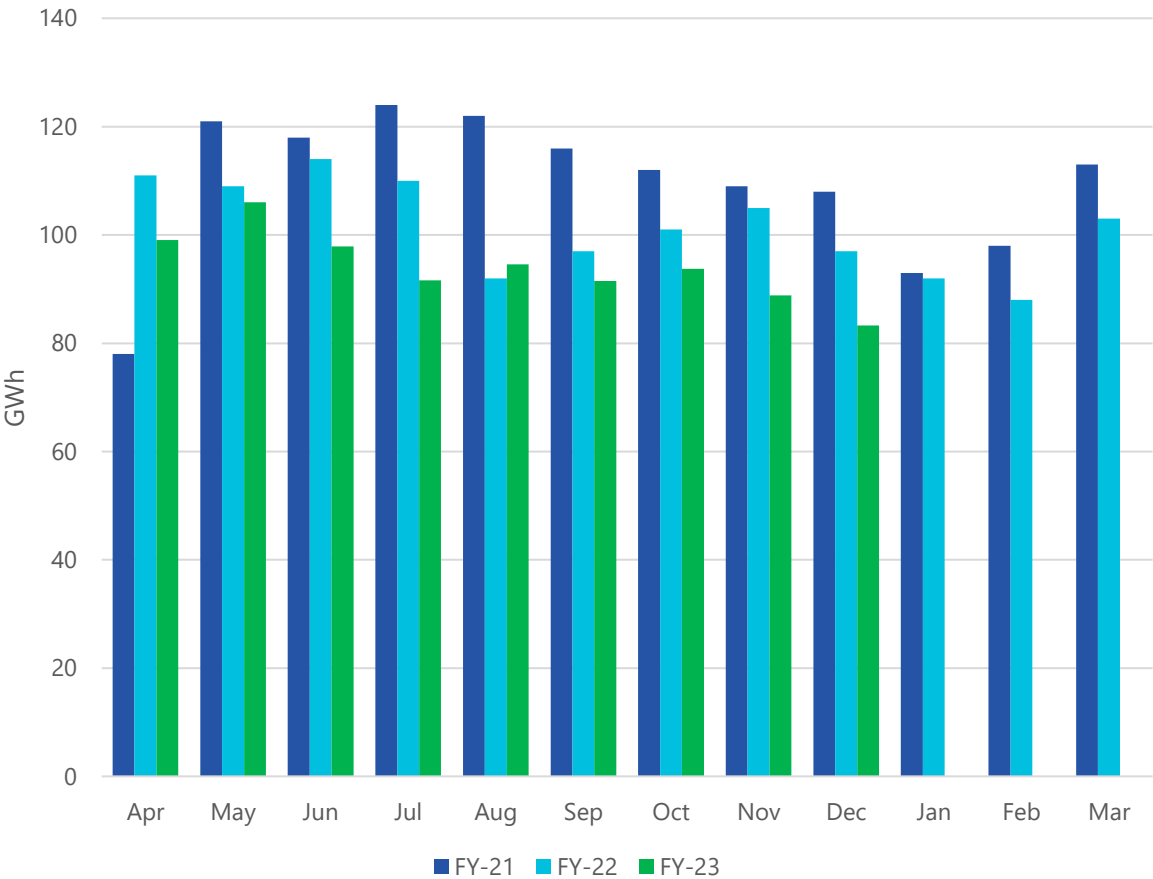
Manawa Lake Levels - % of long term average



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	111	108	97	
C&I sales - Spot (GWh)	204	231	194	224	196	172	203	200	155	195	186	
MCY sales (GWh)	-	-	360	-	-	610	-	-	448	-	-	
Total Sales (GWh)	797	809	792	932	901	887	730	691	714	674	638	
LWAP (\$/MWh)	128	288	200	140	156	75	116	75	48	219	176	
Generation Production and Procurement												
North Island generation production (GWh)	171	179	207	240	267	338	236	235	317	130	144	
South Island generation production (GWh)	253	253	212	282	301	219	213	228	164	184	154	
Wind PPA offtake (GWh)	147	150	142	177	169	163	163	152	159	118	128	
Net other external procurement (GWh)	97	94	121	66	52	59	60	67	1	131	119	
Total Production and Procurement (GWh)	668	676	682	764	790	779	672	681	641	563	545	
GWAP (\$/MWh)	130	287	189	139	148	75	112	72	49	218	171	
Other Information												
Resource consent non-compliance events^	1	1	3	2	2	2	6	2	2	1	-	
Recordable Injuries**	1	4	2	4	2	1	7	6	1	2	6	
Staff numbers (full time equivalents)	806	790	233	813	766	236	816	789	234	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)*	1,453	1,464	129	1,824	1,819	
C&I sales - Fixed Price (GWh)	375	310	325	483	407	
C&I sales - Spot (GWh)	631	627	522	826	813	
MCY sales (GWh)	-	-	1,418	-	-	
Total Sales (GWh)	2,459	2,401	2,393	3,133	3,039	
LWAP (\$/MWh)	129	176	124	147	176	
Generation Production and Procurement						
North Island generation production (GWh)	646	680	861	777	824	
South Island generation production (GWh)	748	782	595	931	936	
Wind PPA offtake (GWh)	487	472	464	605	599	
Net other external procurement (GWh)	223	213	181	354	332	
Total Production and Procurement (GWh)	2,104	2,147	2,102	2,667	2,692	
GWAP (\$/MWh)	128	165	99	144	166	
Other Information						
Resource consent non-compliance events^	9	5	7	10	5	
Recordable Injuries**	12	12	4	14	18	
Staff numbers (full time equivalents)	816	789	234	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

Contact

Phil Wiltshire

027-5826600

investor.relations@manawaenergy.co.nz

