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# Monthly Operating Report

December 2024



# December 2024 overview

» The Customer business recorded:

- Mass market electricity and gas sales of 274GWh (December 2023: 279GWh)
- Mass market netback of \$156.56/MWh (December 2023: \$145.23/MWh)

» The Wholesale business recorded:

- Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 699GWh (December 2023: 692GWh)
- Electricity and steam net revenue of \$98.75/MWh (December 2023: \$96.02/MWh)
- Electricity generated (or acquired) of 765GWh (December 2023: 692GWh)
- The unit generation cost, which includes acquired generation was \$30.68/MWh (December 2023: \$40.03/MWh)
  - Own generation cost in the month of \$26.3/MWh (December 2023: \$37.2/MWh)

» Te Huka 3 project progress vs. target for December 2024 was 98.5% vs. 100%<sup>1</sup>.

» Battery Energy Storage System (BESS) project progress vs. target for December 2024 was 39% vs. 41%<sup>1</sup>.

» Otahuhu futures settlement wholesale price for the 1<sup>st</sup> quarter of 2025 (ASX):

- As at 20 January 2025: \$174/MWh
- As at 31 December 2024: \$124/MWh
- As at 30 November 2024: \$122/MWh

» As at 20<sup>th</sup> January 2025, South Island controlled storage was 108% of mean and North Island controlled storage was 123% of mean.

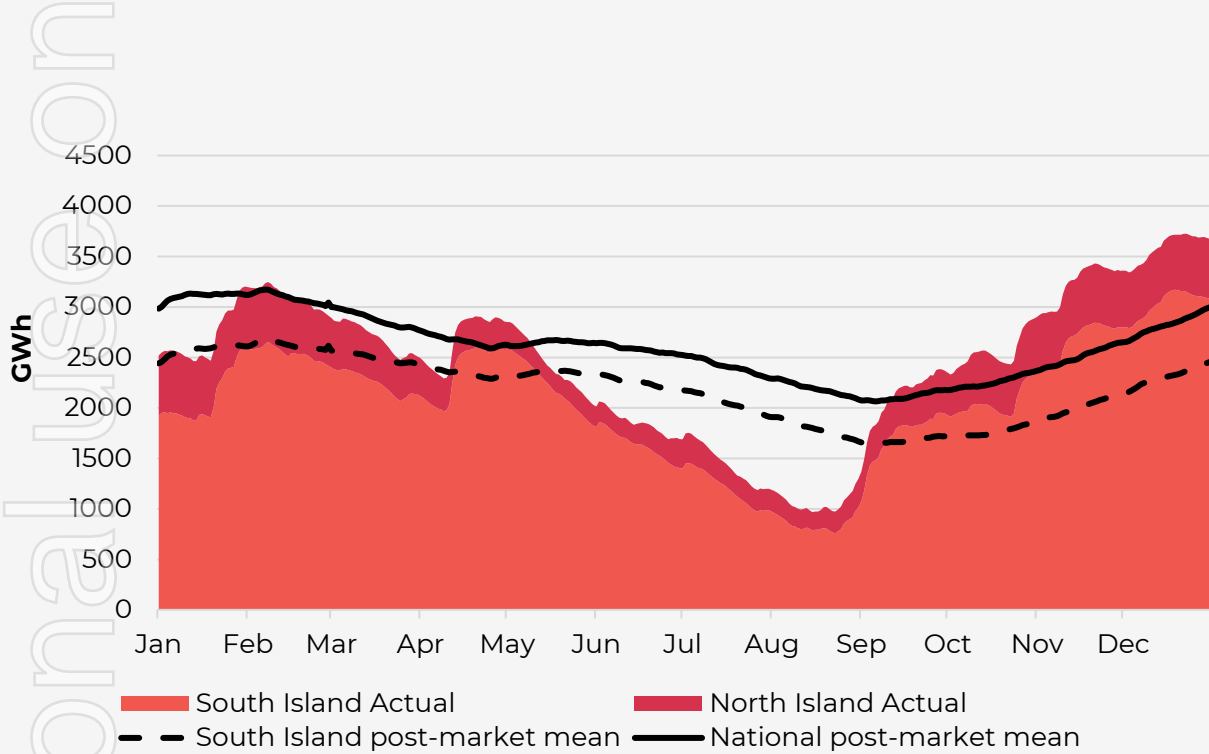
- » As at 20<sup>th</sup> January 2025, total Clutha scheme storage was 85% of mean.
- » Inflows into Contact's Clutha catchment for December 2024 were 108% of mean. (November 2024: 143%; October 2024: 145%, September 2024: 193%).

» Contact's contracted gas volume (including contracted swaps) for the next 12 months is 4.7PJ.

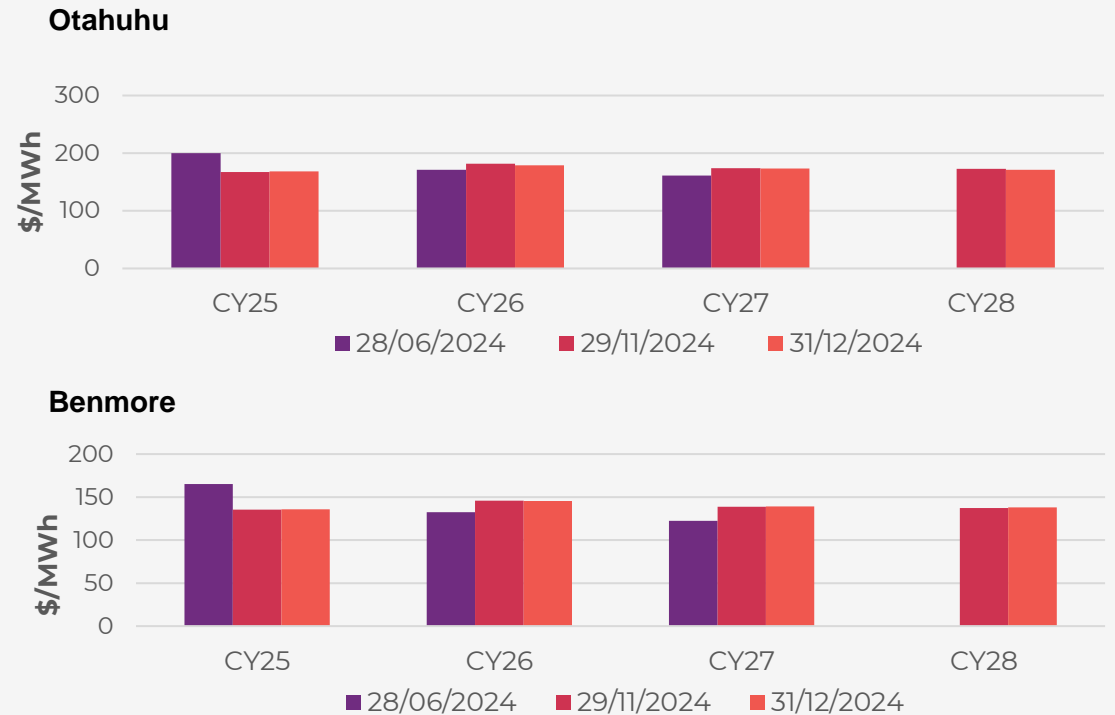
<sup>1</sup> The progress target follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded to the nearest percentage.

# Hydro storage and forward prices

New Zealand controlled hydro storage against mean / 12 months

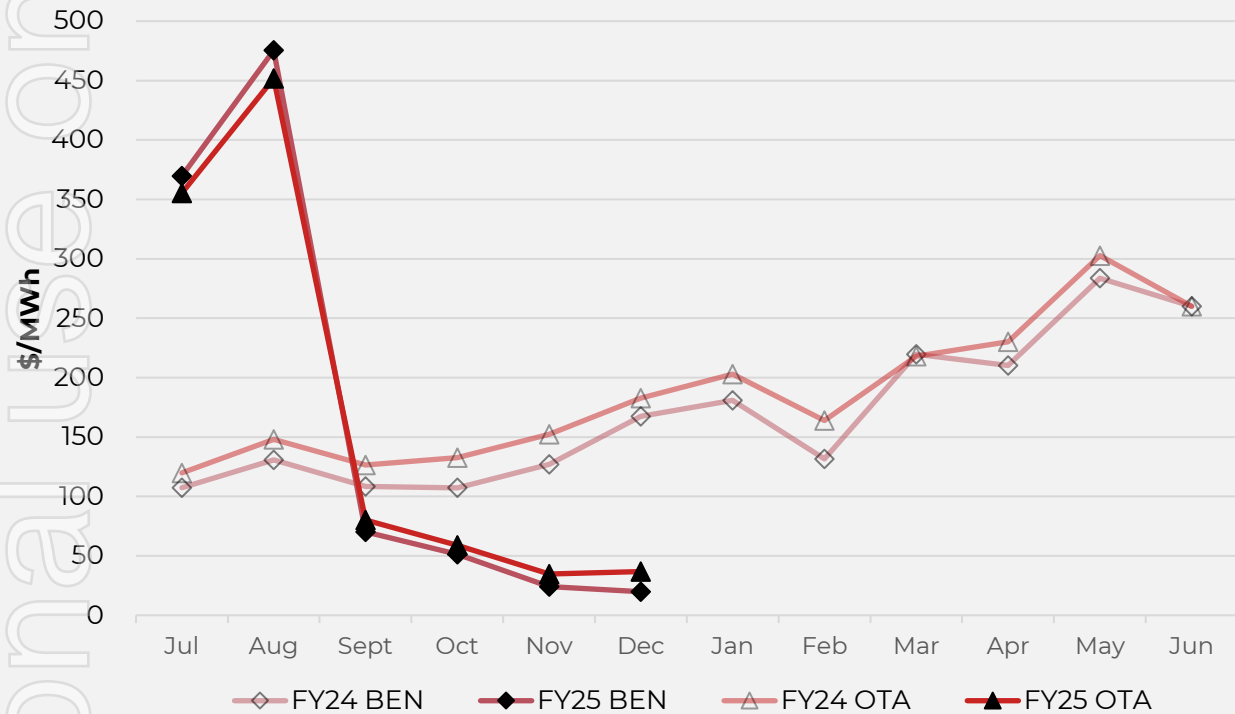


ASX futures settlement

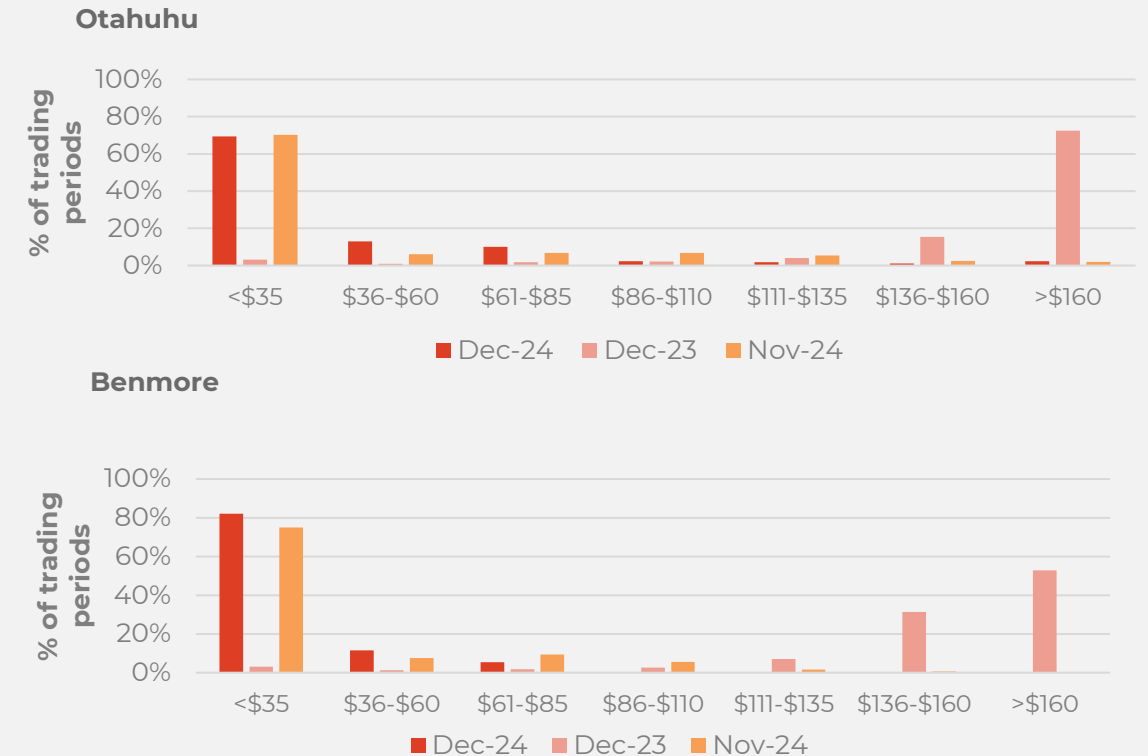


# Wholesale market

## Wholesale electricity pricing



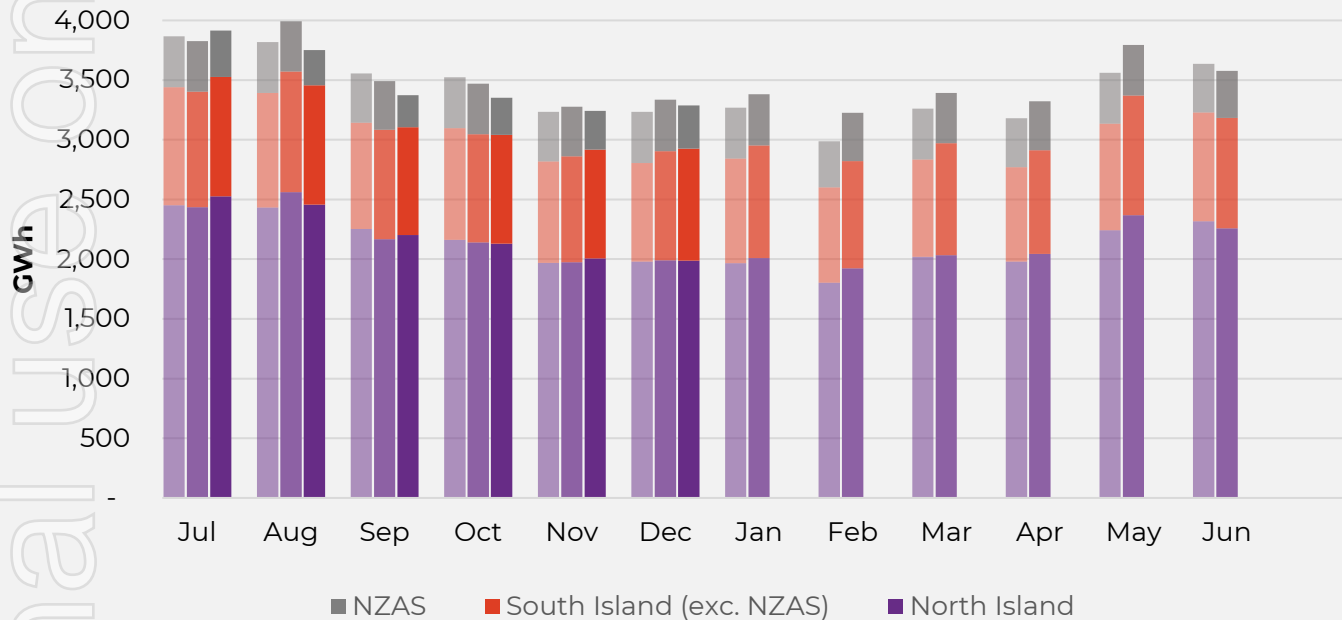
## Distribution of wholesale market price by trading periods



# Electricity demand

## Total national demand

FY23, 24 and 25 respectively

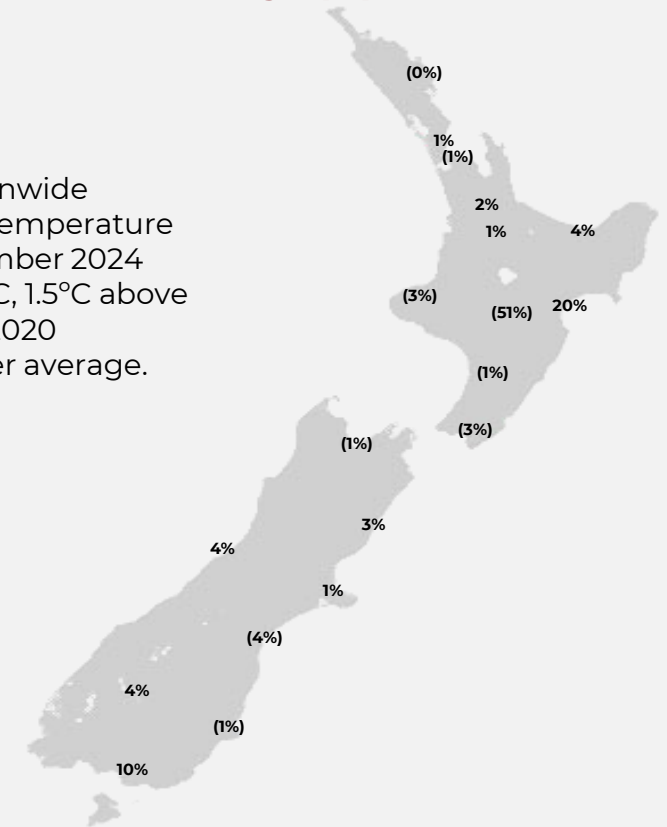


» New Zealand electricity demand was down 1.4% on December 2023 (up 1.6% on December 2022) due to reduced consumption by NZAS following the activation of demand response mechanisms. Demand excluding NZAS was up 0.7%.

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

## Regional demand change (%) on December 2023

The nationwide average temperature for December 2024 was 17.4°C, 1.5°C above the 1991-2020 December average.

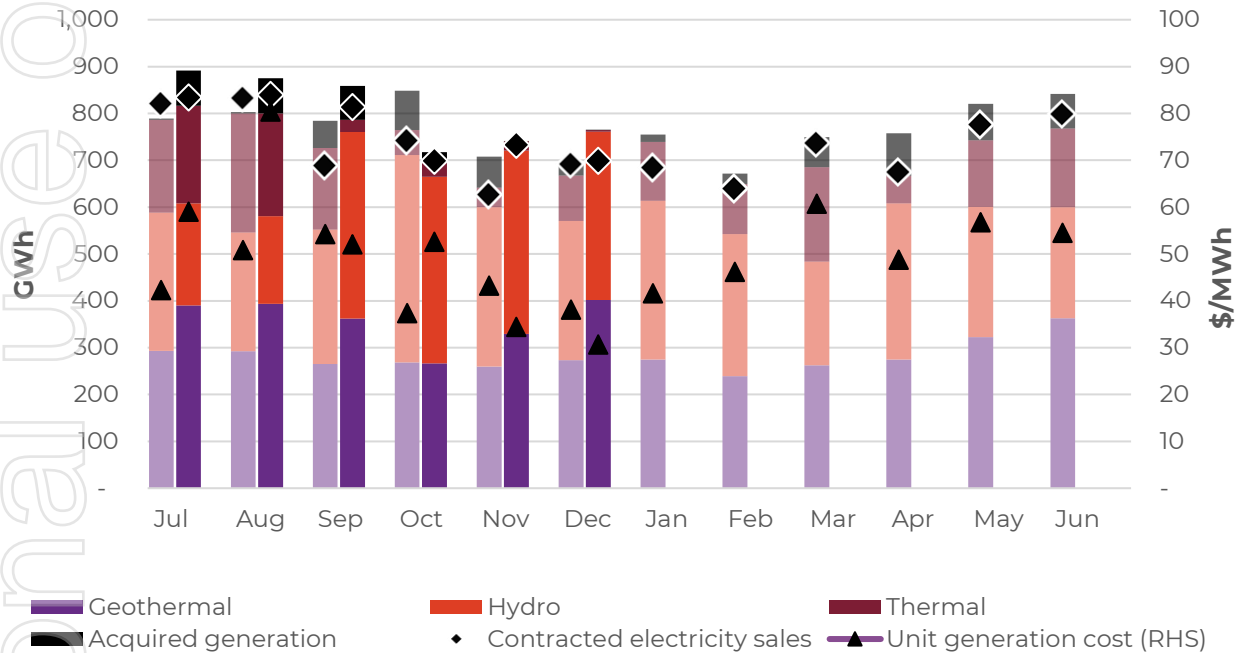


Regional demand is excluding NZAS

# Business performance

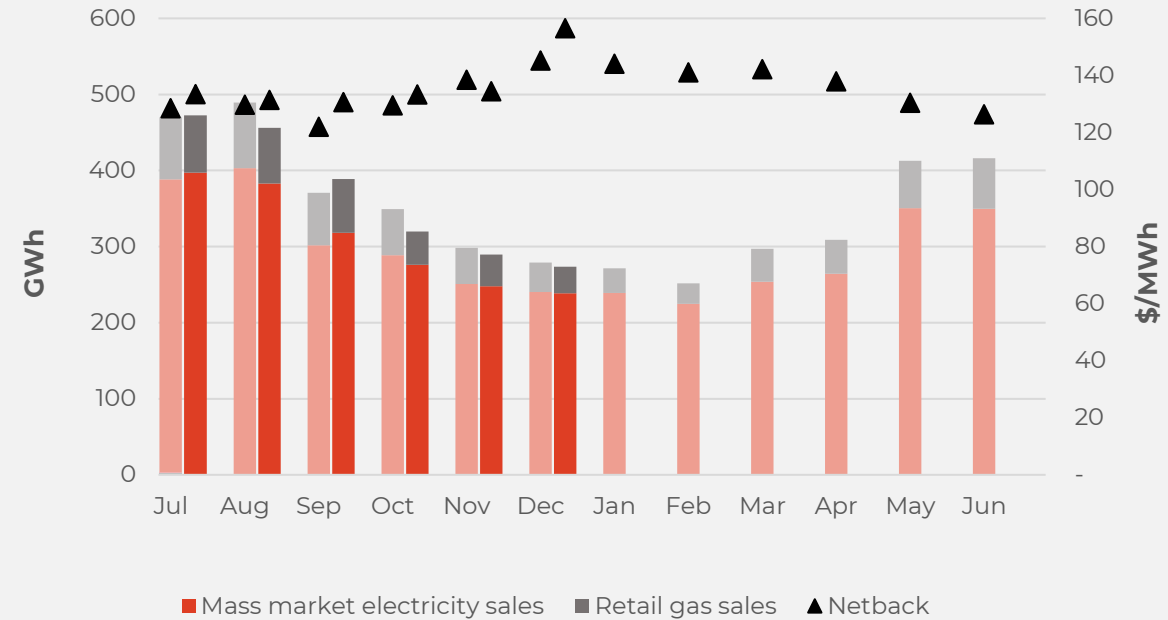
## Wholesale

Generation mix, gross sales position and unit generation cost (FY24 and 25 respectively)



## Retail

Retail sales volumes and netback (FY24 and 25 respectively)



# Operational data

|   |   | Measure                                | The month ended<br>December 24 | The month ended<br>December 23 | The month ended<br>November 24 | Six months ending<br>December 24 | Six months ending<br>December 23 |
|---|---|--|--------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Retail  | Mass market electricity sales   | GWh                                    | 239                            | 240                            | 248                            | 1,861                            | 1,870                            |
|   | Retail gas sales  | GWh                                    | 35                             | 39                             | 42                             | 339                              | 384                              |
|   | Mass market electricity and gas sales                                       | GWh                                    | 274                            | 279                            | 290                            | 2,200                            | 2,254                            |
|   | Average electricity sales price   | \$/MWh                                 | 328.03                         | 310.60                         | 307.43                         | 292.23                           | 280.27                           |
|   | Electricity direct pass thru costs  | \$/MWh                                 | (146.40)                       | (137.77)                       | (142.42)                       | (130.55)                         | (120.44)                         |
|   | Cost to serve   | \$/MWh                                 | (20.25)                        | (18.44)                        | (20.70)                        | (16.48)                          | (16.60)                          |
|   | Customer netback  | \$/MWh                                 | 156.56                         | 145.23                         | 134.39                         | 135.47                           | 131.21                           |
|   | Energy cost   | \$/MWh                                 | (110.42)                       | (102.85)                       | (116.80)                       | (147.01)                         | (131.83)                         |
|   | Actual electricity line losses  | %                                      | 9%                             | 6%                             | 10%                            | 7%                               | 6%                               |
|   | Retail gas sales  | PJ                                     | 0.1                            | 0.1                            | 0.1                            | 1.2                              | 1.4                              |
|   | Electricity ICPs  | #                                      | 441,500                        | 428,500                        | 442,500                        | 443,000                          | 431,500                          |
|   | Gas ICPs  | #                                      | 73,000                         | 70,500                         | 73,000                         | 73,000                           | 71,000                           |
|   | Telco connections   | #                                      | 116,000                        | 93,000                         | 115,000                        | 113,500                          | 89,500                           |
|   | Wholesale   | Electricity sales to Customer business | GWh                            | 263                            | 256                            | 274                              | 1,991                            |
| Electricity sales to Commercial and Industrial                      |   | GWh                                    | 131                            | 119                            | 138                            | 777                              | 686                              |
| Electricity CFD sales   |   | GWh                                    | 306                            | 316                            | 321                            | 1,849                            | 1,727                            |
| Contracted electricity sales  |   | GWh                                    | 699                            | 692                            | 733                            | 4,618                            | 4,402                            |
| Steam sales   |   | GWh                                    | 18                             | 18                             | 20                             | 127                              | 118                              |
| Total electricity and steam net revenue                             |   | \$/MWh                                 | 98.75                          | 96.02                          | 115.81                         | 153.35                           | 123.78                           |
| C&I netback (at the ICP)  |   | \$/MWh                                 | 96.83                          | 93.06                          | 98.63                          | 129.16                           | 123.07                           |
| C&I line losses   |   | %                                      | 4%                             | 4%                             | 4%                             | 4%                               | 4%                               |
| Thermal generation  |   | GWh                                    | 4                              | 97                             | 20                             | 508                              | 817                              |
| Geothermal generation   |   | GWh                                    | 402                            | 273                            | 329                            | 2,143                            | 1,652                            |
| Hydro generation  |   | GWh                                    | 359                            | 297                            | 391                            | 1,952                            | 1,916                            |
| Spot electricity sales  |   | GWh                                    | 765                            | 667                            | 741                            | 4,603                            | 4,386                            |
| Acquired generation   |   | GWh                                    | 0                              | 25                             | 0                              | 246                              | 239                              |
| Electricity generated (or acquired)                                 |   | GWh                                    | 765                            | 692                            | 741                            | 4,849                            | 4,624                            |
| Unit generation cost (including acquired generation) <sup>1,2</sup> |   | \$/MWh                                 | (30.68)                        | (40.03)                        | (34.43)                        | (52.47)                          | (43.49)                          |
| Spot electricity purchases  |   | GWh                                    | (394)                          | (375)                          | (412)                          | (2,769)                          | (2,675)                          |
| CFD sale settlements  |   | GWh                                    | (306)                          | (316)                          | (321)                          | (1,849)                          | (1,727)                          |
| Spot exposed purchases / CFD settlement                             |   | GWh                                    | (699)                          | (692)                          | (733)                          | (4,618)                          | (4,402)                          |
| Spot revenue and settlement on acquired generation (GWAP)           |   | \$/MWh                                 | 30.32                          | 177.49                         | 30.77                          | 181.61                           | 131.91                           |
| Spot purchases and settlement on CFDs sold (LWAP)                   |   | \$/MWh                                 | (34.33)                        | (180.02)                       | (37.95)                        | (192.06)                         | (138.59)                         |
| LWAP/GWAP   |   | %                                      | 113%                           | 101%                           | 123%                           | 106%                             | 105%                             |
| Gas used in internal generation                                     |   | PJ                                     | 0.1                            | 0.9                            | 0.2                            | 4.0                              | 6.7                              |
| Gas storage net movement (extraction) / injection                   | PJ  | (0.1)                                  | (0.0)                          | 0.1                            | 1.7                            | (0.6)                            |                                  |
| Progress tracking actual ( <i>target</i> ) for BESS                 | %   | 39%(41%)                               | N/A                            | 33%(36%)                       | N/A                            | N/A                              |                                  |
| Progress tracking actual ( <i>target</i> ) for Te Huka 3            | %   | 98.5%(100%)                            | 75%(72%)                       | 98%(99%)                       | N/A                            | N/A                              |                                  |
| Contact   | Total customer connections  | #                                      | 635,000                        | 596,000                        | 635,000                        | 633,500                          | 597,000                          |
|   | Realised gains / (losses) on market derivatives not in a hedge relationship | \$m                                    | 0.67                           | 0.30                           | 0.12                           | (14.34)                          | (2.33)                           |

<sup>1</sup> FY24 unit generation cost is shown on an underlying basis i.e. excluding the impact of an onerous contract provision for the Ahuroa Gas Storage Facility (AGS) (which was \$29m in 1H24).

<sup>2</sup> From the month of May 2024, Contact excludes the impact of asset write-offs and impairments from EBITDAF to better indicate underlying performance. The impact of this change led to a \$4.0m reallocation within the May 2024 operating data (unit generation cost). This impact has now been reallocated to the period in which the write-off occurred (December 2023) to better align with the historic 1H24 data that will appear in the FY25 interim report (to be released on 17<sup>th</sup> February). The total unallocated costs in 1H24 were \$23m.

Note: In 1H25, Contact incurred \$10.2m of unallocated (corporate) costs associated with the proposed acquisition of Manawa. This includes \$8.6m of transaction costs and \$1.6m of integration preparation costs.

# Environment, Social and Governance (ESG)

| Material theme          | Measure  | Unit                        | Q2 FY25   | Q2 FY24   |
|-------------------------|--|-----------------------------|-----------|-----------|
| Climate Change          | Greenhouse Gas (GHG) Emissions from generation assets <sup>1</sup> | kt CO <sup>2</sup> -e       | 132       | 144       |
|                         | GHG intensity of generation <sup>2</sup>                           | kt CO <sup>2</sup> -e / GWh | 0.060     | 0.069     |
| Water                   | Freshwater take <sup>3</sup>                                       | Million cubic metres        | 0.40      | 0.50      |
|                         | Non-consumptive water usage <sup>4</sup>                           | Million cubic metres        | 6,142     | 4,285     |
|                         | Geothermal fluid discharge to awa (rivers)                         | Million cubic metres        | 4.0       | 3.5       |
| Biodiversity            | Native rākau (trees) planted by Contact <sup>5</sup>               | #                           | 80        | 2,516     |
|                         | Pests caught <sup>6</sup>  | #                           | 643       | 508       |
| Community               | Community initiatives and organisations supported                  | #                           | 33        | 44        |
| Inclusion and Diversity | Board  | % Women / % Men             | 43% / 57% | 50% / 50% |
| Inclusion and Diversity | Key Management Personnel   | % Women / % Men             | 22% / 78% | 20% / 80% |
| Inclusion and Diversity | Employee Gender balance <sup>7</sup>                               | % Women / % Men             | 46% / 53% | 47% / 53% |

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

<sup>1</sup> Scope 1 – Stationary combustion.

<sup>2</sup> Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market

<sup>3</sup> Freshwater taken to support operations at geothermal and thermal i.e., drinking water fire water, water for cooling towers.

<sup>4</sup> Water that flows through our Roxburgh power station and cooling water taken for Wairākei geothermal power station.

<sup>5</sup> Does not include DrylandCarbon/Forest Partners activities.



<sup>6</sup> Predominantly rats, mice and possums.

<sup>7</sup> Includes all permanent, fixed term and casual employees. 1.3% and 1.6% unspecified in Q2 FY25 and Q2 FY24 respectively.






# Keep in touch

## Investors

### Shelley Hollingsworth – Investor Relations & Strategy Manager

-  [investor.centre@contactenergy.co.nz](mailto:investor.centre@contactenergy.co.nz)
-  [contact.co.nz/aboutus/investor-centre](http://contact.co.nz/aboutus/investor-centre)
-  +64 27 227 2429

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