

Quarterly Operating Report | Q1-24 | June 2023



Quarterly Insights

Weaker spot prices

Spot pricing over the quarter (April – June 2023) was lower than the preceding quarter and the pcp. Benmore daily pricing averaged \$67/MWh (64% lower than pcp) and Otahuhu averaged \$87/MWh (56% lower than pcp). This compares to \$127/MWh and \$141/MWh respectively for the preceding quarter, and \$185/MWh and \$198/MWh respectively for the pcp. There was a high level of volatility in spot prices with Benmore weekly averages ranging from \$3/MWh to \$127/MWh.

ASX forward prices fall across the quarter again

Strong hydrology and national storage, coupled with reductions in thermal generation input costs and falling carbon pricing have seen forward wholesale prices on the ASX fall from the end of last quarter, continuing a trend from September 2022. All calendar year strips available on the ASX fell across the quarter, with CY24 falling 13%, and CY25 and CY26 falling 5% and 6% respectively.

Strong inflows persist, storage falling but remains elevated

National storage (compared to the 10-year average) rose significantly across most of the quarter (reaching 150% of average in early June) but has subsequently fallen back to close the quarter at similar levels to where the last quarter closed (128% on 31st March, 126% on 30th June).

Manawa Energy storage followed a similar pattern across the quarter, with strong increases across the first 2 months but declined across June following a reduction in inflows and an increase in spot prices. Manawa storage ended the quarter at 133% of average.

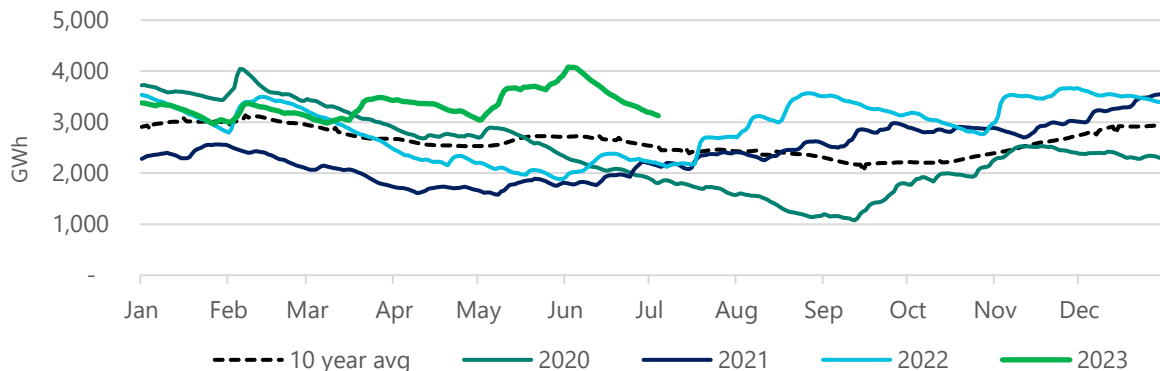
Manawa Energy saw strong inflows into our schemes with an additional 180 GWh (including spill) across the quarter compared to average.

Generation volumes strong across the quarter

Total Q1-24 generation volumes were 531 GWh. This is 27% (112 GWh) higher than the pcp and is largely due to North Island volumes being 41% higher than the pcp (from strong inflows), and South Island volumes 12% higher.

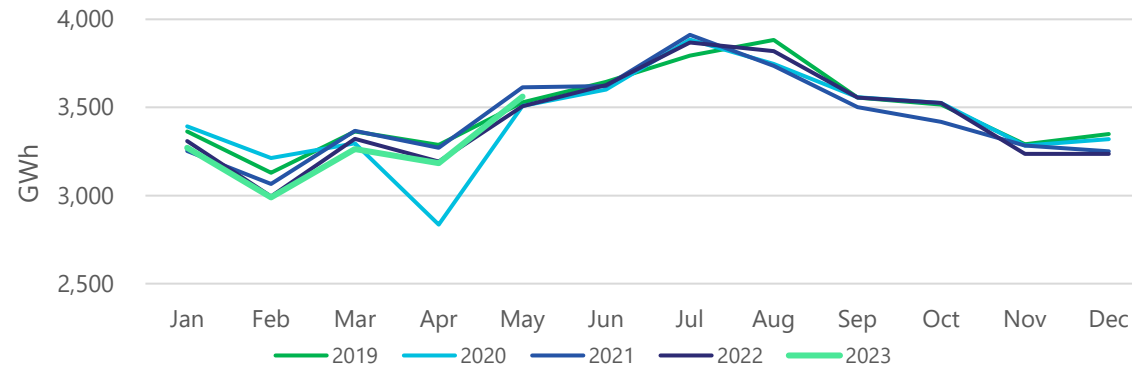
Wholesale Electricity Market

National Controlled Storage



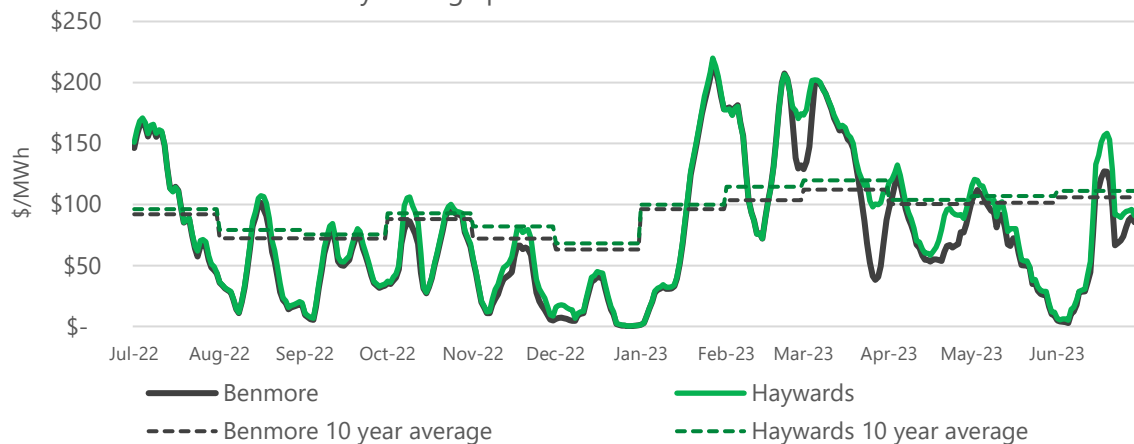
SOURCE: NZX Hydro

National Demand

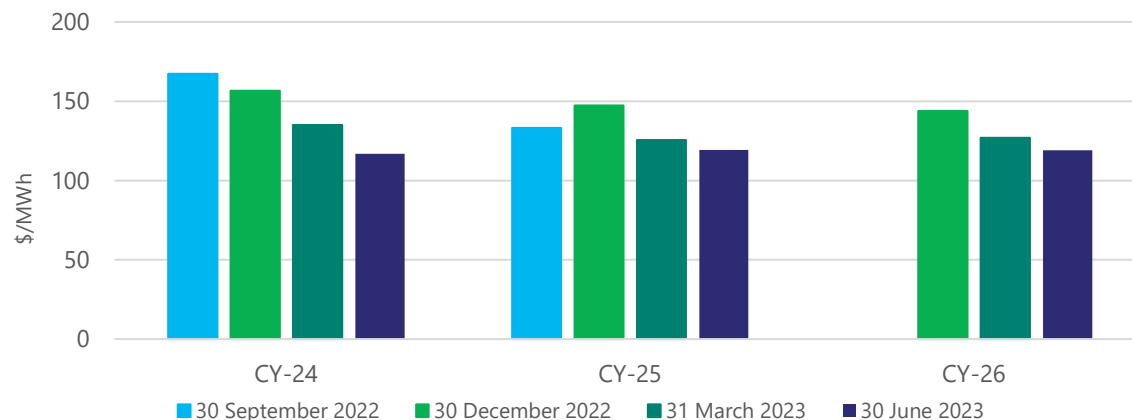


NOTE: June 2023 demand not available at time of release

Weekly average prices - 12 months to end of Jun 2023

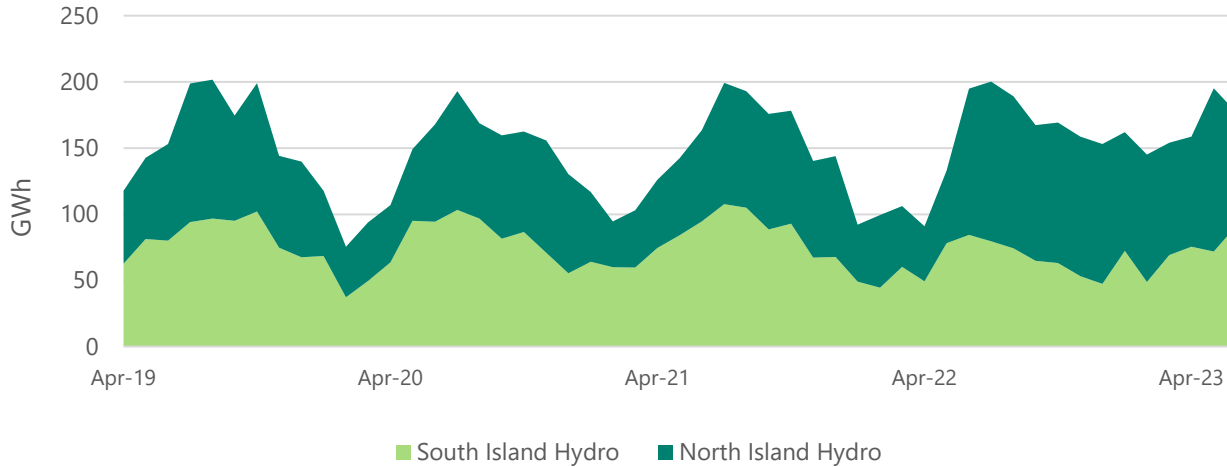


Benmore ASX Futures Settlement Prices

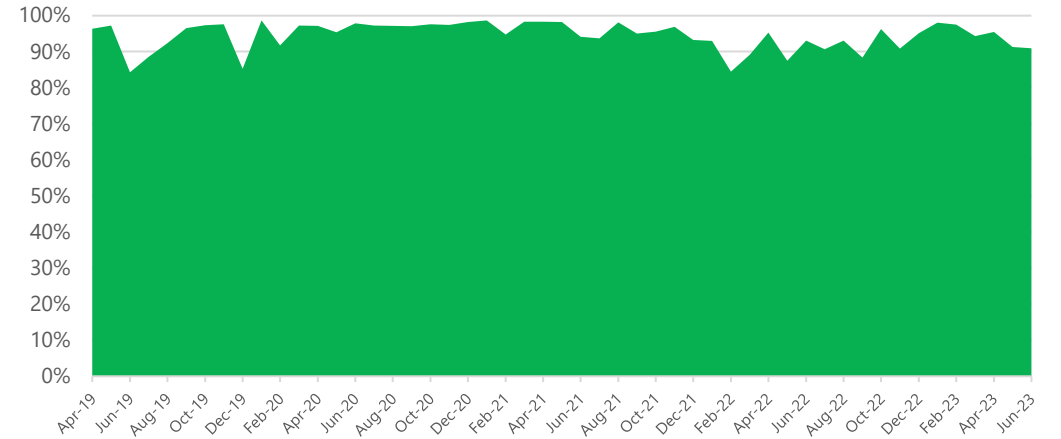


Generation

Monthly Generation Volumes



Percentage of Potential Revenue Achieved



**Q1-24
NI Generation**
↑41%
vs pcp

**Q1-24
SI Generation**
↑12%
vs pcp

Q1-24 GWAP/TWAP
NI **1.10**
SI **1.29**

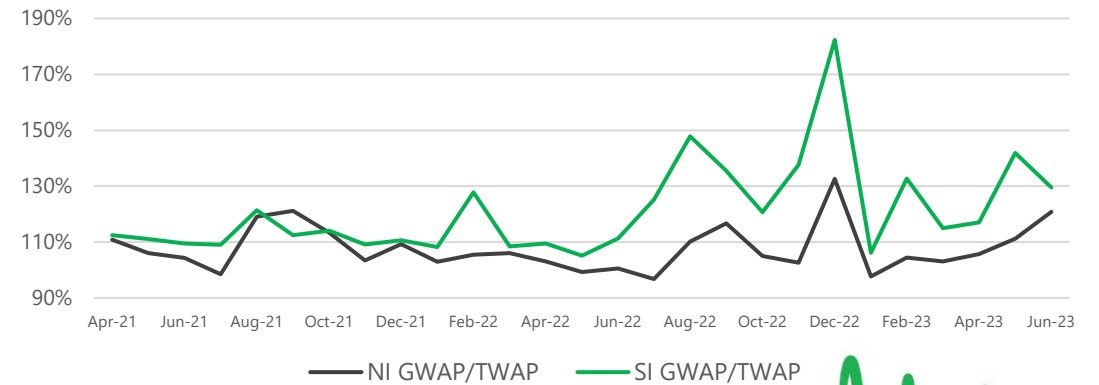
\$86/MWh
\$88/MWh

New Zealand Load Weighted Average Price (LWAP)

New Zealand Generation Weighted Average Price (GWAP)

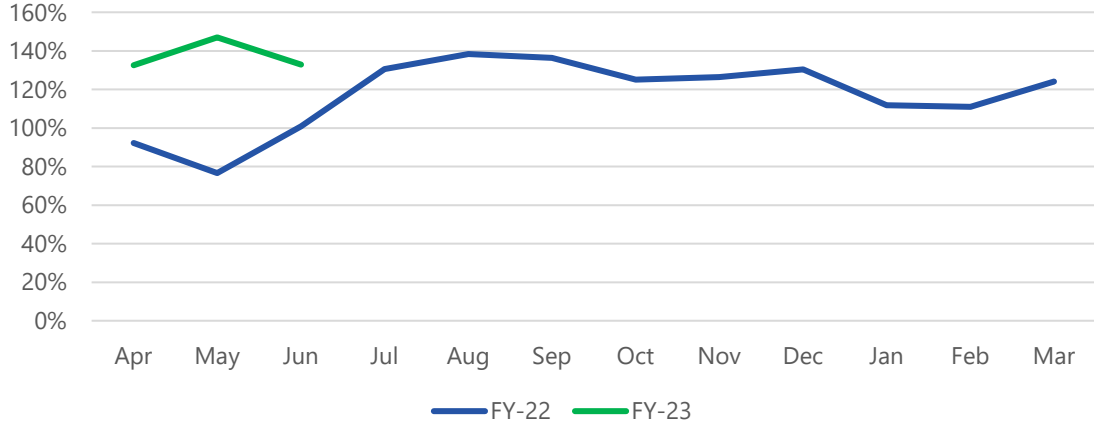
NOTE: Q1 Prices

GWAP / TWAP

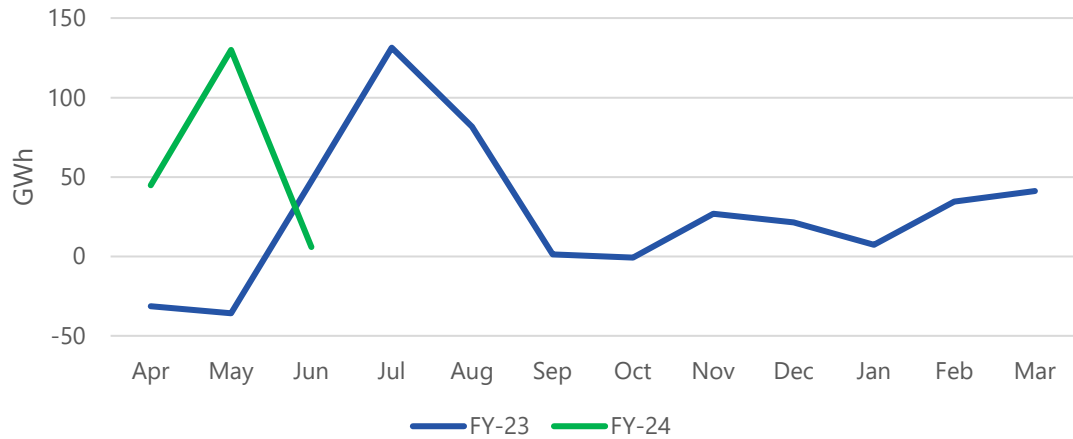


Generation

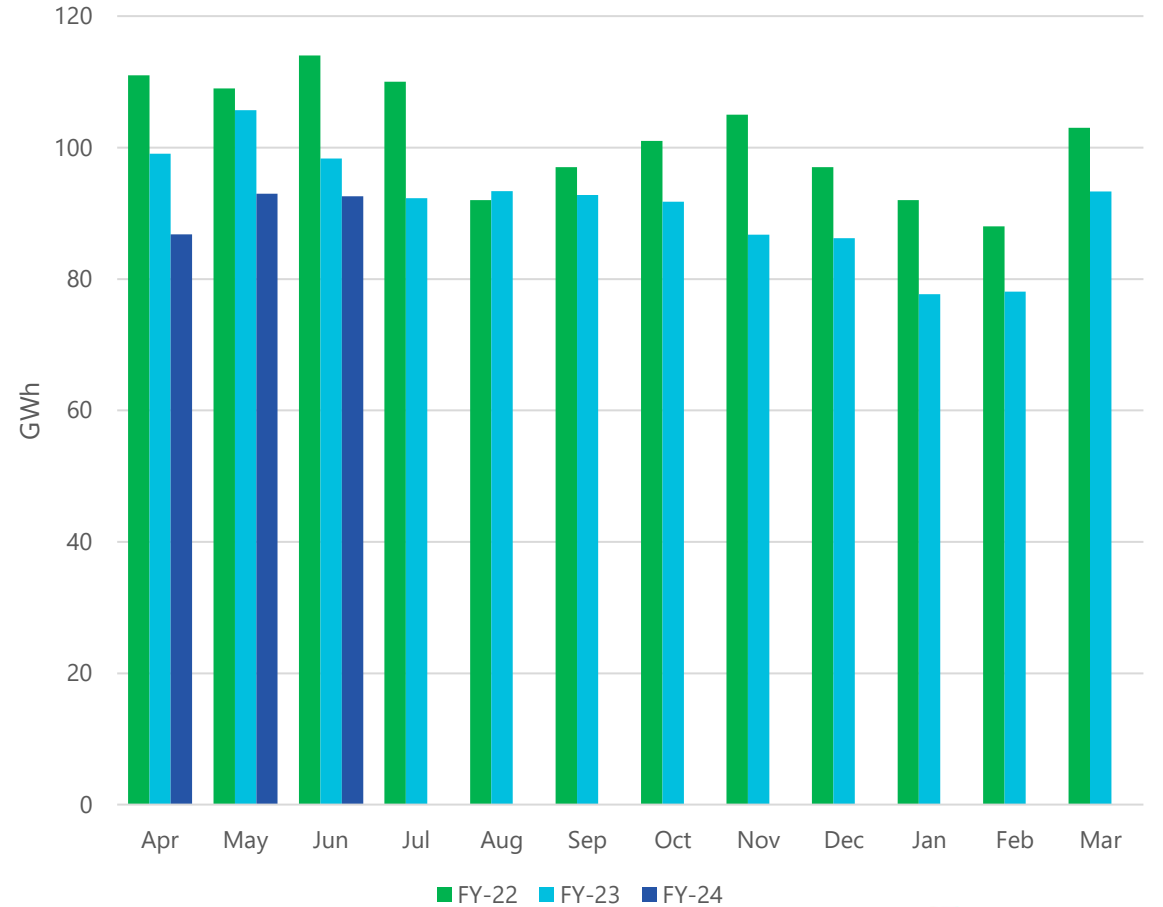
Manawa Lake Levels - % of long term average



Inflow variance to long term average (incl. spill)



C&I Customer Volumes



Operating stats

	Q1 FY-22	Q1 FY-23	Q1 FY-24	Q2 FY-22	Q2 FY-23	Q2 FY-24	Q3 FY-22	Q3 FY-23	Q3 FY-24	Q4 FY-22	Q4 FY-23	Q4 FY-24
Sales												
MM Retail sales (GWh)*	474	129	0	603	-		387	-		355	-	
C&I sales - Fixed Price (GWh)	104	106	106	102	105		104	112		97	103	
C&I sales - Spot (GWh)	231	197	166	196	174		200	153		186	147	
MCY sales (GWh)	-	360	536	-	610		-	448		-	406	
Total Sales (GWh)	809	792	808	901	888		691	712		638	655	
LWAP (\$/MWh)	288	200	86	156	73		75	48		176	141	
Generation Production and Procurement												
North Island generation production (GWh)	179	207	292	267	338		235	317		144	271	
South Island generation production (GWh)	253	212	238	301	219		228	164		154	190	
Wind PPA offtake (GWh)	150	142	132	169	163		152	159		128	131	
Net other external procurement (GWh)	94	121	134	52	53		67	3		119	132	
Total Production and Procurement (GWh)	676	682	796	790	772		681	642		545	724	
GWAP (\$/MWh)	287	189	88	148	75		72	49		171	140	
Other Information												
Resource consent non-compliance events [^]	1	3	3	2	2		2	2		-	2	
Recordable Injuries ^{**}	4	2	2	2	1		6	1		6	2	
Staff numbers (full time equivalents)	790	233	235	766	236		789	234		777	238	

* 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-22	YTD FY-23	YTD FY-24	Full Year FY-21	Full Year FY-22	Full Year FY-23	Full Year FY-24
Sales							
MM Retail sales (GWh)*	474	129	0	1,824	1,819	129	
C&I sales - Fixed Price (GWh)	104	106	106	483	407	424	
C&I sales - Spot (GWh)	231	197	166	826	813	671	
MCY sales (GWh)	-	360	536	-	-	1,824	
Total Sales (GWh)	809	792	808	3,133	3,039	3,048	
LWAP (\$/MWh)	288	200	86	147	176	127	
Generation Production and Procurement							
North Island generation production (GWh)	179	207	292	777	824	1,132	
South Island generation production (GWh)	253	212	238	931	936	785	
Wind PPA offtake (GWh)	150	142	132	605	600	596	
Net other external procurement (GWh)	94	121	134	354	332	308	
Total Production and Procurement (GWh)	676	682	796	2,667	2,692	2,821	
GWAP (\$/MWh)	287	189	88	144	166	109	
Other Information							
Resource consent non-compliance events^	1	3	3	10	5	9	
Recordable Injuries**	4	2	2	14	18	6	
Staff numbers (full time equivalents)	790	233	235	801	777	238	

* MM Retail business sold on 1st May 2022.

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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. Refers to own generation only.
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 only.
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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