



Meridian.

# Monthly Operating Report

January 2023

## January highlights

In the month to 14 February 2023, national hydro storage decreased from **116%** to **111%** of historical average

South Island storage decreased to **103%** of average and North Island storage increased to **166%** of average by 14 February 2023

Meridian's January 2023 monthly total inflows were **46%** of historical average

Waiau catchment inflows in January 2023 were **19%** of historical average, the lowest January inflows on record

Meridian's Waitaki catchment water storage at the end of January 2023 was **99%** of historical average

Water storage in Meridian's Waiau catchment was **29%** of average at the end of January 2023

National electricity demand in January 2023 was **1.2%** lower than the same month last year

January 2023 saw above average temperatures. Unprecedented North Island rainfall totals contrasted with South Island rainfall that was well below average

New Zealand Aluminium Smelter's average load during January 2023 was **575MW**

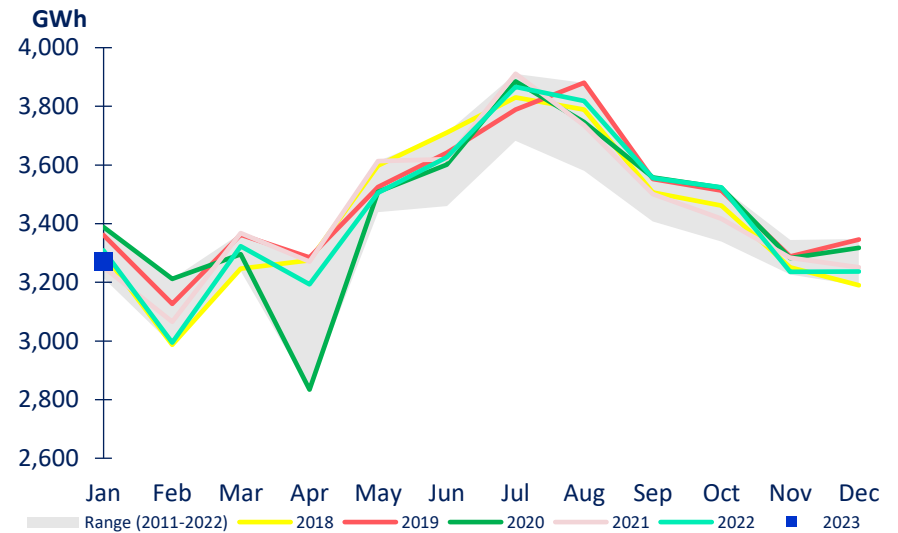
Meridian's retail sales volumes in January 2023 were **1.8%** lower than January 2022

Compared to January 2022, segment sales increased in residential +0.4%, small medium business +2.5%, agricultural +0.3%, large business +15.5%. Corporate decreased -7.3%

## Market data

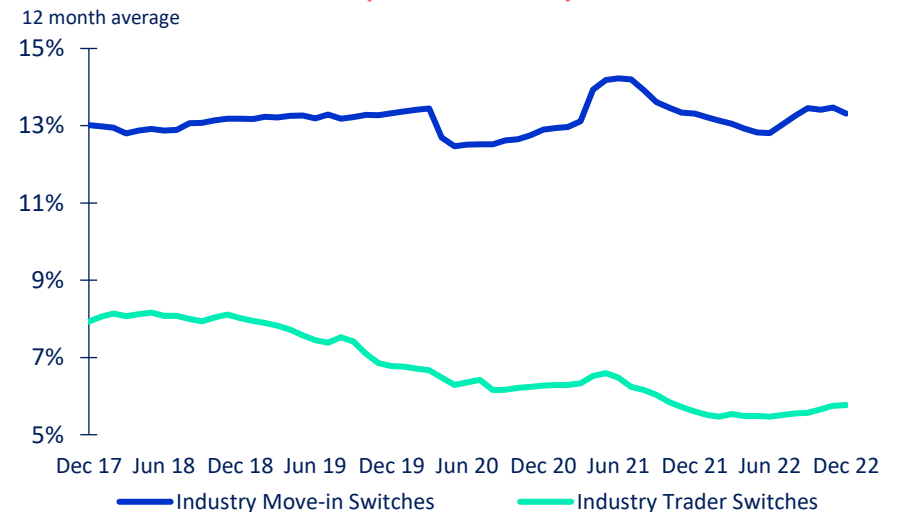
- National electricity demand in January 2023 was 1.2% lower than the same month last year
- January 2023 saw above average temperatures. Unprecedented North Island rainfall totals contrasted with South Island rainfall that was well below average
- Demand in the last 12 months was 0.5% lower than the preceding 12 months
- New Zealand Aluminium Smelter’s average load during January 2023 was 575MW
- 12-month average switching rate of customers changing retailers but not moving (“trader” switch) was 5.8% at the end of December 2022
- 12-month average switching rate of customers moving and changing retailers (“move-in” switch) was 13.3% at the end of December 2022

### NATIONAL DEMAND



Source: Electricity Authority (reconciled demand)

### MARKET ICP SWITCHING (ALL RETAILERS)

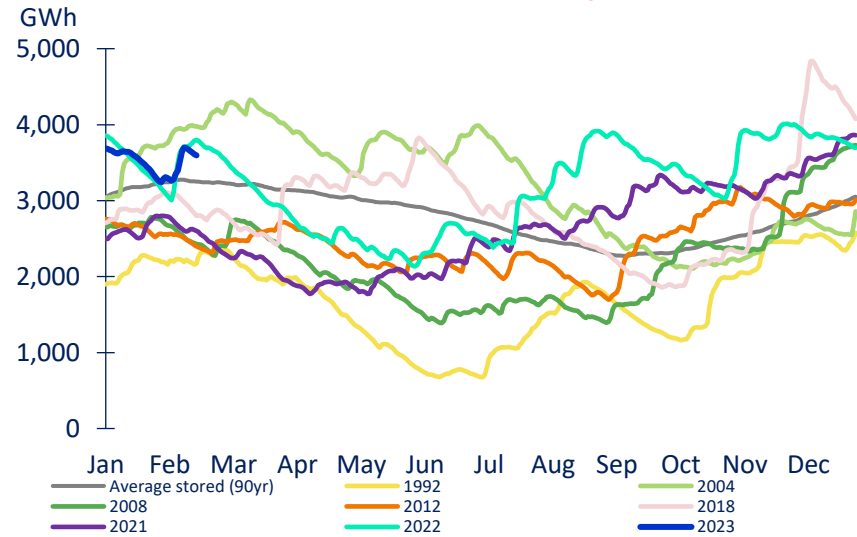


Source: Electricity Authority

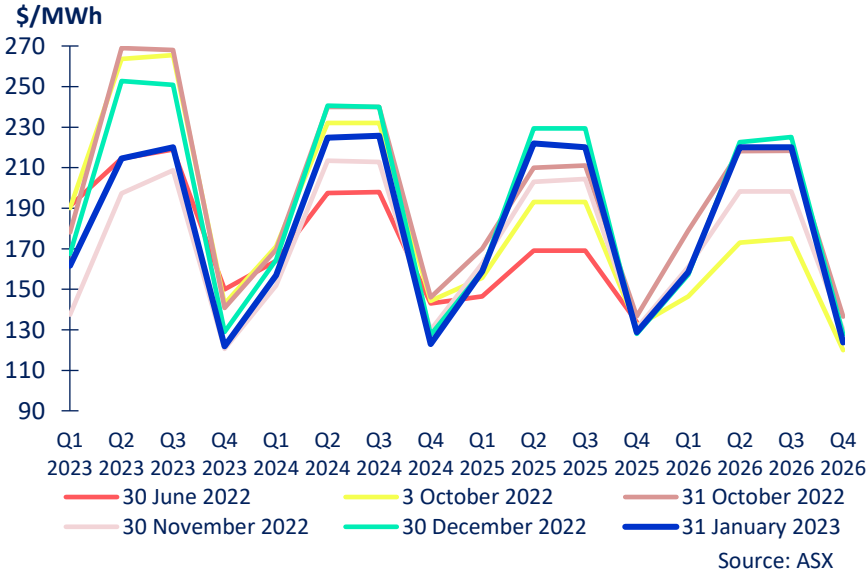
## Market data

- January 2023 saw slight decreases in ASX prices across the curve
- National storage decreased from 116% of average on 10 January 2023 to 111% of average on 14 February 2023
- South Island storage decreased to 103% of historical average by 14 February 2023. North Island storage increased to 166% of average

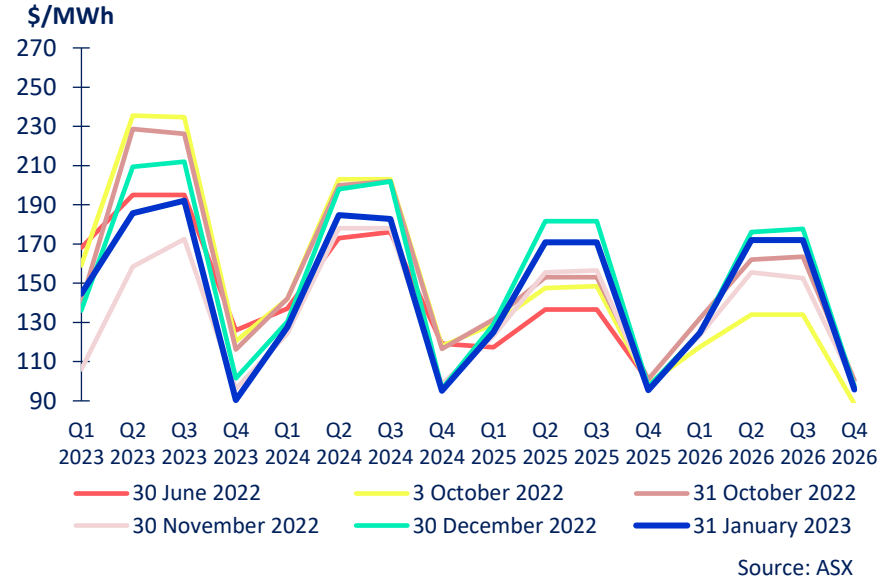
## NATIONAL HYDRO STORAGE (14 February 2023)



## OTAHUHU ASX FUTURES SETTLEMENT PRICE



## BENMORE ASX FUTURES SETTLEMENT PRICE

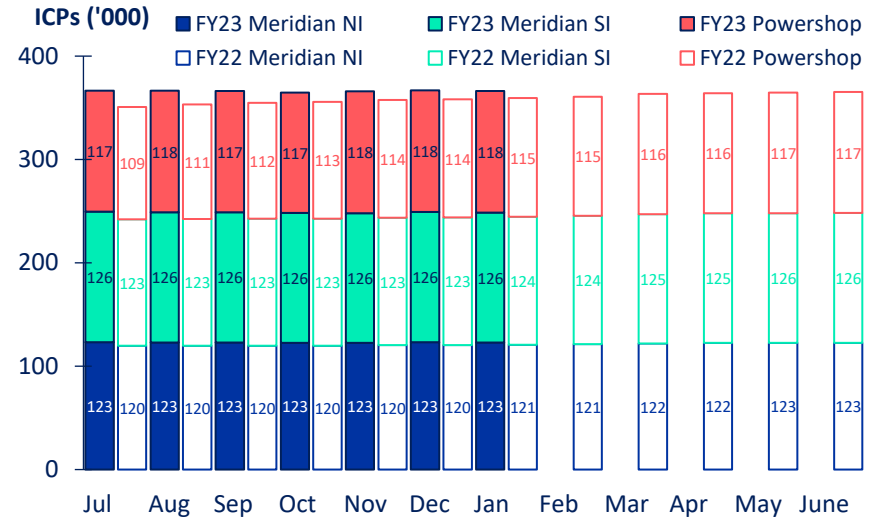


# Meridian retail

- Meridian’s customer connection numbers decreased 0.2% during January 2023 and have increased 0.3% since June 2022
- Retail sales volumes in January 2023 were 1.8% lower than January 2022
- Compared to January 2022, segment sales increased in residential +0.4%, small medium business +2.5%, agricultural +0.3%, large business +15.5%. Corporate decreased -7.3%
- To date this financial year, retail sales volumes are 3.9% higher than the same period last year
- This reflects increased segment sales in: small medium business +11.1%, agricultural +6.5%, large business +14.4% and corporate +0.5%. Residential sales are -0.8% lower

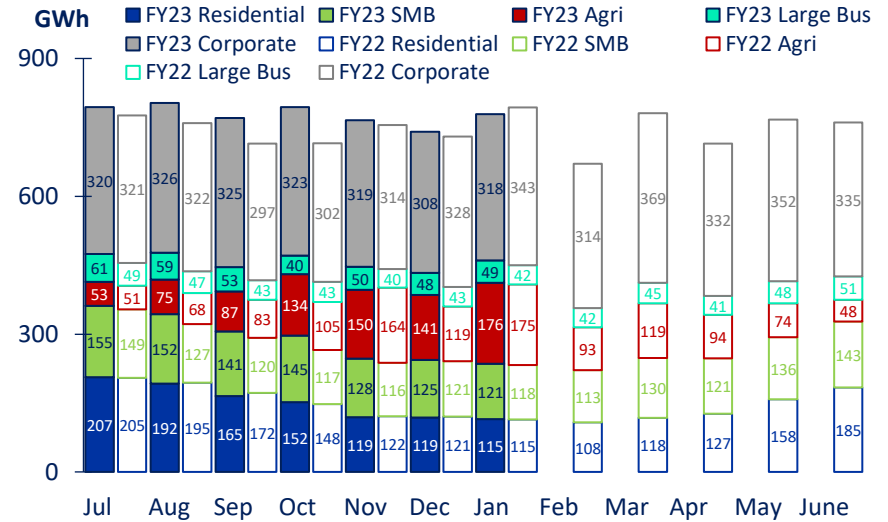
\*excludes volumes sold to New Zealand Aluminium Smelters and CFDs

## MERIDIAN'S CUSTOMER CONNECTIONS



Source: Meridian

## MERIDIAN'S RETAIL SALES VOLUME\*

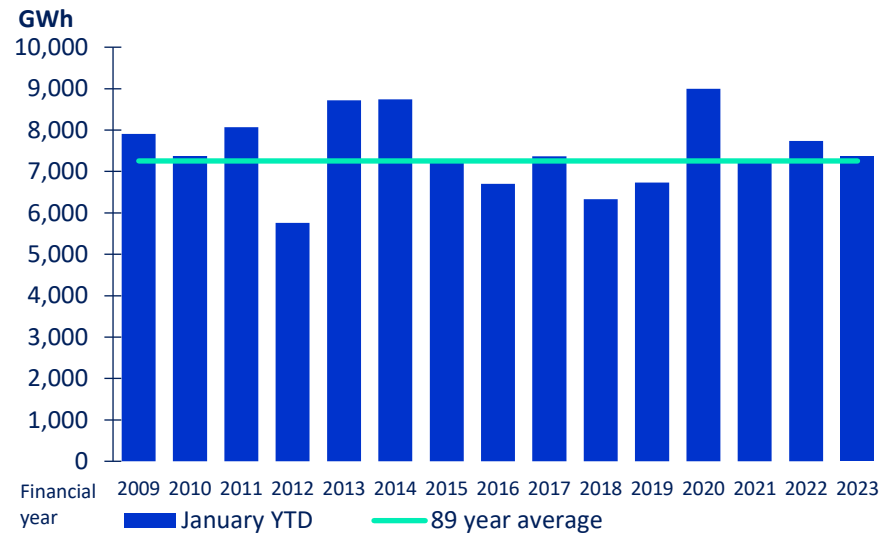


Source: Meridian

## Meridian inflows and storage

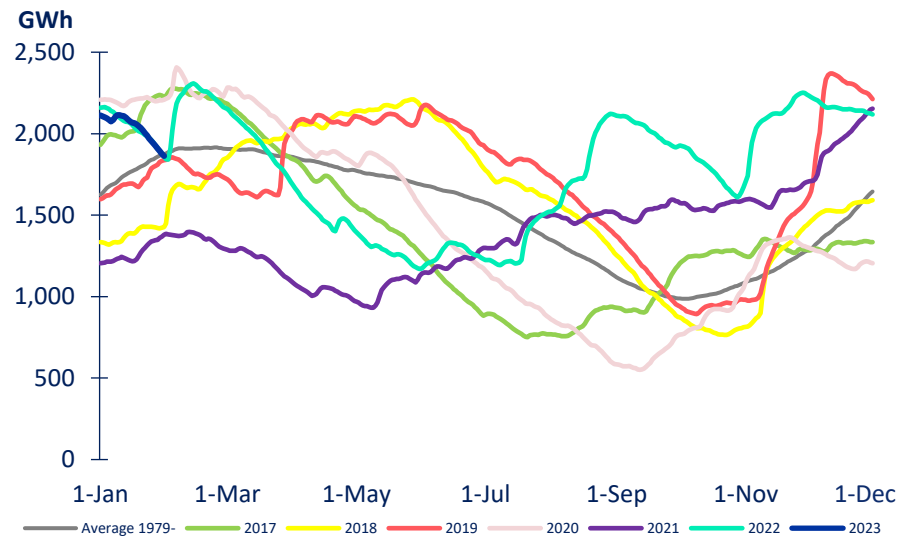
- January 2023 monthly inflows were 46% of historical average
- Waiau catchment inflows in January 2023 were 19% of historical average, the lowest January inflows on record
- To date this financial year, inflows are 101% of historical average
- Meridian's Waitaki catchment water storage moved from 2,118GWh to 1,864GWh during January 2023
- Waitaki water storage at the end of January 2023 was 99% of historical average and 0.2% higher than the same time last year
- Water storage in Meridian's Waiau catchment was 29% of average at the end of January 2023

### MERIDIAN'S COMBINED CATCHMENT INFLOWS



Source: Meridian

### MERIDIAN'S WAITAKI STORAGE

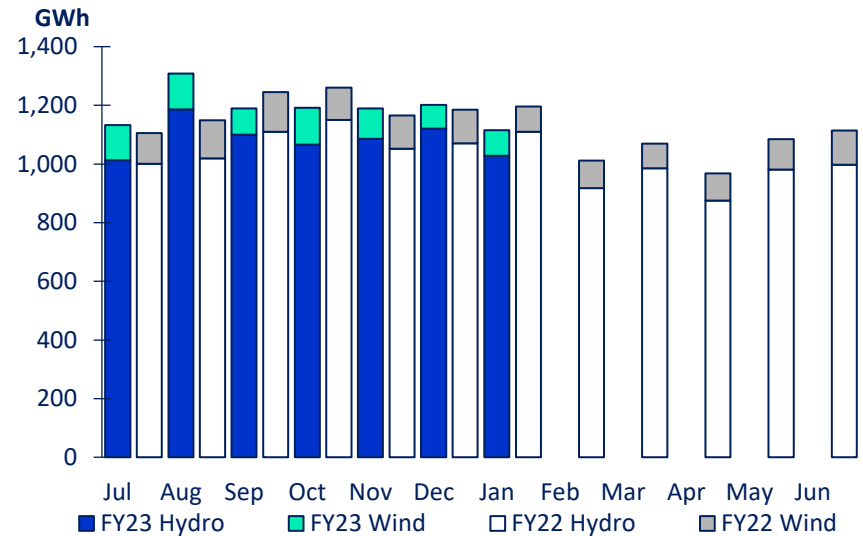


Source: Meridian

# Meridian generation

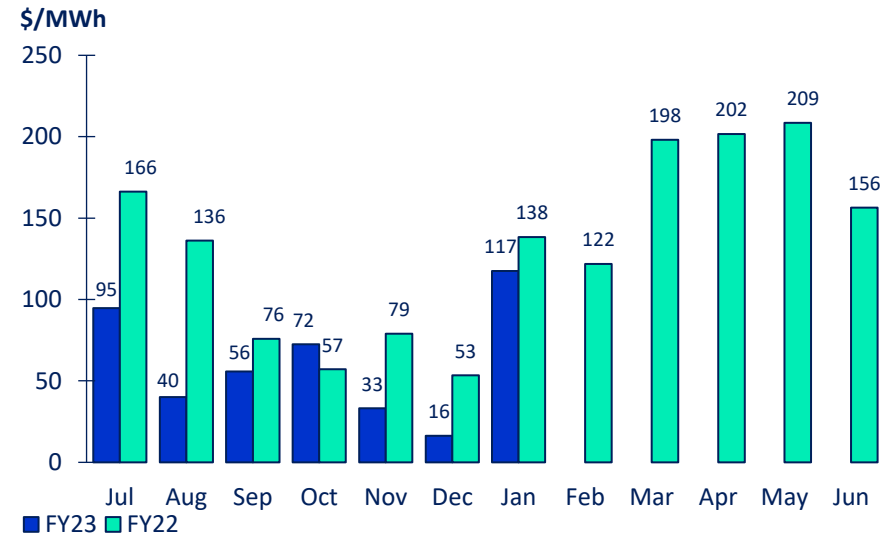
- Meridian’s generation in January 2023 was 6.8% lower than the same month last year, reflecting lower hydro and slightly higher wind generation
- To date this financial year, Meridian’s generation is 0.3% higher than the same period last year, reflecting higher hydro and lower wind generation
- The average price Meridian received for its generation in January 2023 was 15.2% lower than the same month last year
- The average price Meridian paid to supply customers in January 2023 was 18.5% lower than the same month last year
- To date this financial year, the average price Meridian received for its generation is 39.5% lower than the same period last year and the average price paid to supply customers is 42.9% lower

## MERIDIAN'S GENERATION



Source: Meridian

## MERIDIAN'S AVERAGE GENERATION PRICE\*



\*price received for Meridian’s physical generation

Source: Meridian

# Monthly operating information

	JANUARY 2023 MONTH	JANUARY 2022 MONTH	DECEMBER 2022 MONTH	NOVEMBER 2022 MONTH	7 MONTHS TO JANUARY 2023	7 MONTHS TO JANUARY 2022
<b>New Zealand contracted sales</b>						
Residential sales volume (GWh)	115	115	119	119	1,070	1,078
Small medium business sales volume (GWh)	121	118	125	128	967	868
Agricultural sales volume (GWh)	176	175	141	150	815	765
Large business sales volume (GWh)	49	42	48	50	359	308
Corporate and industrial sales volume (GWh)	318	343	308	319	2,238	2,226
<b>Retail contracted sales volume (GWh)</b>	<b>779</b>	<b>793</b>	<b>741</b>	<b>766</b>	<b>5,449</b>	<b>5,245</b>
Average retail contracted sales price <sup>1</sup> (\$NZ/MWh)	\$126.3	\$111.2	\$122.5	\$121.5	\$128.2	\$115.1
NZAS sales volume (GWh)	426	426	425	411	2,949	2,951
Financial contract sales volumes <sup>2</sup> (GWh)	308	280	277	251	1,740	1,871
Average wholesale & financial contracts sales price <sup>3</sup> (\$NZ/MWh)	\$72.4	\$63.3	\$54.2	\$55.8	\$59.6	\$65.5
Retail customer supply volumes (GWh)	804	828	793	825	5,769	5,528
Cost to supply retail customers (\$NZ/MWh)	\$124.7	\$148.4	\$23.6	\$44.2	\$71.5	\$118.2
Cost to supply wholesale customers (\$NZ/MWh)	\$123.4	\$156.9	\$12.7	\$29.7	\$60.8	\$96.2
Cost of financial contracts (\$NZ/MWh)	\$125.8	\$160.4	\$22.2	\$33.7	\$70.6	\$108.4
Total New Zealand customer connections <sup>4</sup>	366,362	359,550	366,936	363,484		

See page 11 for footnotes



# Monthly operating information

	JANUARY 2023 MONTH	JANUARY 2022 MONTH	DECEMBER 2022 MONTH	NOVEMBER 2022 MONTH	7 MONTHS TO JANUARY 2023	7 MONTHS TO JANUARY 2022
<b>New Zealand generation</b>						
Hydro generation volume (GWh)	1,028	1,110	1,121	1,086	7,602	7,512
Wind generation volume (GWh)	87	86	81	103	727	795
<b>Total generation volume (GWh)</b>	<b>1,115</b>	<b>1,196</b>	<b>1,202</b>	<b>1,190</b>	<b>8,329</b>	<b>8,307</b>
Average generation price <sup>5</sup> (\$NZ/MWh)	\$117.4	\$138.4	\$16.3	\$33.1	\$60.3	\$99.6
<b>New Zealand hedging</b>						
Hedging volume <sup>6</sup> (GWh)	396	404	358	347	2,656	2,382
Hedging cost average price (\$NZ/MWh)	\$117.0	\$104.1	\$99.1	\$100.2	\$113.7	\$110.2
Hedging spot revenue average price (\$NZ/MWh)	\$142.0	\$168.3	\$25.5	\$35.8	\$72.6	\$119.8
Future contract close outs (\$NZm)	-\$2.5	-\$5.1	-\$0.2	\$13.7	\$48.7	-\$6.5

See page 10 for footnotes

# Monthly operating information

	JANUARY 2023 MONTH	JANUARY 2022 MONTH	DECEMBER 2022 MONTH	NOVEMBER 2022 MONTH	7 MONTHS TO JANUARY 2023	7 MONTHS TO JANUARY 2022
<b>New Zealand costs</b>						
Employee and Operating Costs <sup>7</sup> (\$m)	18	15	21	21	139	113
Stay in Business Capital Expenditure (\$m)	2	-1	4	4	24	20
Investment Capital Expenditure (\$m)	20	9	58	50	170	80
<b>Total Capital Expenditure (\$m)</b>	<b>22</b>	<b>8</b>	<b>62</b>	<b>54</b>	<b>194</b>	<b>100</b>

November 2022 and December 2022 Capital Expenditure included ex-works payments to Siemens Gamesa in relation to the Harapaki Wind Farm construction

## Footnotes

- Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
- Derivatives sold excluding the sell-side of virtual asset swaps
- Average price of both NZAS sales volume and derivative sales volumes
- Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
- Volume weighted average price received for Meridian's physical generation
- Over the counter and ASX contract volumes excluding the buy-side of virtual asset swaps
- Excludes electricity metering expenses, now reclassified into gross margin

# FY23 operating information

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Q1 FY22	YoY change	Q2 FY22	YoY change	Q3 FY22	YoY change	Q4 FY22	YoY change
<b>New Zealand contracted sales</b>																				
Residential sales volume (GWh)	207	192	165	152	119	119	115						564	-8	390	-0				
Small medium business sales volume (GWh)	155	152	141	145	128	125	121						448	+52	398	+44				
Agricultural sales volume (GWh)	53	75	87	134	150	141	176						214	+12	425	+38				
Large business sales volume (GWh)	61	59	53	40	50	48	49						173	+33	137	+11				
Corporate and industrial sales volume (GWh)	320	326	325	323	319	308	318						970	+30	950	+7				
<b>Retail contracted sales volume (GWh)</b>	<b>795</b>	<b>804</b>	<b>771</b>	<b>795</b>	<b>766</b>	<b>741</b>	<b>779</b>						<b>2,369</b>	<b>+119</b>	<b>2,301</b>	<b>+100</b>				
Average retail contracted sales price (\$NZ/MWh)	\$133.3	\$134.2	\$134.9	\$124.0	\$121.5	\$122.5	\$126.3						\$134.1	+\$10.9	\$122.7	+\$14.4				
NZAS sales volume (GWh)	426	425	411	426	411	425	426						1,262	-1	1,262	-1				
Financial contract sales volumes (GWh)	190	281	176	257	251	277	308						647	-81	785	-78				
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$65.4	\$60.4	\$50.5	\$56.5	\$55.8	\$54.2	\$72.4						\$58.9	-\$13.5	\$55.5	-\$4.3				
Retail customer supply volumes (GWh)	835	843	823	847	825	793	804						2,501	+138	2,465	+127				
Cost to supply retail customers (\$NZ/MWh)	\$110.6	\$49.1	\$64.5	\$82.8	\$44.2	\$23.6	\$124.7						\$74.7	-\$75.6	\$50.8	-\$24.1				
Cost to supply wholesale customers (\$NZ/MWh)	\$97.6	\$40.2	\$49.7	\$70.7	\$29.7	\$12.7	\$123.4						\$62.7	-\$51.7	\$37.8	-\$19.7				
Cost of financial contracts (\$NZ/MWh)	\$120.6	\$58.7	\$63.1	\$73.7	\$33.7	\$22.2	\$125.8						\$78.1	-\$54.9	\$42.7	-\$28.0				
<b>Total New Zealand customer connections</b>	<b>366,518</b>	<b>366,599</b>	<b>366,285</b>	<b>364,700</b>	<b>365,946</b>	<b>366,936</b>	<b>366,362</b>						<b>366,285</b>	<b>+11,475</b>	<b>366,936</b>	<b>+8,586</b>				
<b>New Zealand generation</b>																				
Hydro generation volume (GWh)	1,013	1,187	1,101	1,066	1,086	1,121	1,028						3,300	+170	3,274	+1				
Wind generation volume (GWh)	120	122	89	126	103	81	87						331	-39	310	-30				
<b>Total generation volume (GWh)</b>	<b>1,133</b>	<b>1,308</b>	<b>1,190</b>	<b>1,192</b>	<b>1,190</b>	<b>1,202</b>	<b>1,115</b>						<b>3,631</b>	<b>+131</b>	<b>3,583</b>	<b>-29</b>				
Average generation price (\$NZ/MWh)	\$94.7	\$39.9	\$55.7	\$72.4	\$33.1	\$16.3	\$117.4						\$62.2	-\$62.0	\$40.6	-\$22.4				
<b>New Zealand hedging</b>																				
Hedging volume (GWh)	428	425	352	350	347	358	396						1,205	+231	1,054	+51				
Hedging cost average price (\$NZ/MWh)	\$131.4	\$122.0	\$116.7	\$103.3	\$100.2	\$99.1	\$117.0						\$123.8	-\$0.0	\$100.8	+\$1.5				
Hedging spot revenue average price (\$NZ/MWh)	\$113.0	\$39.6	\$64.7	\$77.2	\$35.8	\$25.5	\$142.0						\$73.0	-\$70.6	\$46.0	-\$31.2				
Future contract close outs (\$NZm)	-1.1	12.7	20.7	\$5.4	13.7	-0.2	-2.5						32.4	+32.9	18.9	+19.7				
<b>Meridian Group</b>																				
Employee and Operating Costs (\$NZ m)	19	20	20	21	21	21	18						60	+8	62	+15				
Stay in Business Capital Expenditure (\$NZ m)	3	4	4	3	4	4	2						11	+1	11	-1				
Investment Capital Expenditure (\$NZ m)	9	9	12	11	50	59	20						30	-6	119	+85				
<b>Total Capital Expenditure (\$NZ m)</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>14</b>	<b>54</b>	<b>62</b>	<b>22</b>						<b>41</b>	<b>-5</b>	<b>130</b>	<b>+84</b>				

# FY22 operating information

	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Q1 FY22	YoY change	Q2 FY22	YoY change	Q3 FY22	YoY change	Q4 FY22	YoY change
<b>New Zealand contracted sales</b>																				
Residential sales volume (GWh)	205	195	172	148	122	121	115	108	118	127	158	185	572	+70	391	+45	341	+39	470	+15
Small medium business sales volume (GWh)	149	127	120	117	116	121	118	113	130	121	136	143	396	+71	354	+55	362	+62	399	+30
Agricultural sales volume (GWh)	51	68	83	105	164	119	175	93	119	94	74	48	202	-3	387	-81	388	-88	216	-10
Large business sales volume (GWh)	49	47	43	43	40	43	42	42	45	41	48	51	140	-16	126	-7	128	-1	140	+14
Corporate and industrial sales volume (GWh)	321	322	297	302	314	328	343	314	369	332	352	335	940	+111	943	+88	1,026	+93	1,019	+51
<b>Retail contracted sales volume (GWh)</b>	<b>776</b>	<b>759</b>	<b>715</b>	<b>716</b>	<b>755</b>	<b>731</b>	<b>793</b>	<b>671</b>	<b>781</b>	<b>715</b>	<b>768</b>	<b>761</b>	<b>2,250</b>	<b>+233</b>	<b>2,202</b>	<b>+99</b>	<b>2,246</b>	<b>+105</b>	<b>2,244</b>	<b>+99</b>
Average retail contracted sales price (\$NZ/MWh)	\$122.6	\$124.0	\$123.2	\$109.9	\$109.8	\$105.2	\$111.2	\$115.5	\$116.6	\$122.8	\$128.5	\$127.0	\$123.2	+\$4.0	\$108.3	+\$3.8	\$114.4	+\$7.6	\$126.2	+\$7.2
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	402	418	412	1,262	+0	1,263	+0	1,236	+0	1,232	-18
Financial contract sales volumes (GWh)	197	297	234	374	280	208	280	244	249	178	203	219	728	+214	862	+376	773	+306	600	+161
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$73.2	\$78.4	\$65.1	\$62.3	\$56.9	\$59.8	\$63.3	\$63.7	\$64.2	\$68.1	\$74.9	\$66.9	\$72.5	-\$3.3	\$59.8	-\$8.9	\$63.7	+\$0.9	\$70.0	-\$5.4
Retail customer supply volumes (GWh)	816	795	752	764	798	776	828	709	821	747	815	814	2,363	+246	2,337	+123	2,358	+114	2,376	+123
Cost to supply retail customers (\$NZ/MWh)	\$190.3	\$165.3	\$91.0	\$74.6	\$92.7	\$57.2	\$148.4	\$146.4	\$213.2	\$210.5	\$221.5	\$168.0	\$150.3	+\$8.4	\$75.0	-\$40.8	\$170.4	-\$53.1	\$199.7	-\$87.0
Cost to supply wholesale customers (\$NZ/MWh)	\$162.7	\$115.9	\$62.6	\$51.2	\$76.5	\$45.5	\$156.9	\$120.5	\$216.0	\$225.2	\$215.0	\$152.1	\$114.3	-\$10.9	\$57.5	-\$36.4	\$165.9	-\$45.6	\$197.3	-\$67.6
Cost of financial contracts (\$NZ/MWh)	\$159.9	\$137.5	\$104.8	\$66.0	\$78.8	\$68.2	\$160.4	\$117.0	\$180.6	\$219.0	\$207.7	\$157.1	\$133.0	+\$2.9	\$70.7	-\$34.0	\$153.2	-\$39.3	\$192.6	-\$70.9
Total New Zealand customer connections	350,961	353,357	354,810	355,760	357,521	358,350	359,550	360,780	363,430	364,182	364,839	365,346	354,810	+26,208	358,350	+25,763	363,430	+25,379	365,346	+18,516
<b>New Zealand generation</b>																				
Hydro generation volume (GWh)	1,000	1,020	1,110	1,150	1,052	1,071	1,110	918	986	876	982	998	3,130	+372	3,273	+119	3,014	+298	2,855	+185
Wind generation volume (GWh)	105	129	135	111	114	114	86	94	84	93	104	116	370	-16	339	-40	264	-23	313	-31
<b>Total generation volume (GWh)</b>	<b>1,105</b>	<b>1,149</b>	<b>1,245</b>	<b>1,260</b>	<b>1,166</b>	<b>1,185</b>	<b>1,196</b>	<b>1,012</b>	<b>1,070</b>	<b>968</b>	<b>1,085</b>	<b>1,114</b>	<b>3,499</b>	<b>+356</b>	<b>3,612</b>	<b>+79</b>	<b>3,278</b>	<b>+275</b>	<b>3,168</b>	<b>+154</b>
Average generation price (\$NZ/MWh)	\$166.2	\$136.1	\$75.8	\$57.1	\$78.9	\$53.4	\$138.4	\$121.8	\$198.1	\$201.5	\$208.5	\$156.4	\$124.1	-\$2.3	\$63.0	-\$38.2	\$152.8	-\$58.0	\$188.0	-\$79.7
<b>New Zealand hedging</b>																				
Hedging volume (GWh)	394	325	255	327	332	346	404	421	459	438	353	324	975	+122	1,004	+141	1,283	+195	1,115	+35
Hedging cost average price (\$NZ/MWh)	\$129.6	\$121.5	\$117.7	\$93.6	\$94.8	\$109.3	\$104.1	\$117.0	\$120.0	\$127.8	\$134.6	\$136.7	\$123.8	+\$18.5	\$99.4	+\$5.2	\$114.0	-\$1.2	\$132.6	+\$17.2
Hedging spot revenue average price (\$NZ/MWh)	\$164.1	\$140.7	\$115.6	\$74.4	\$88.3	\$69.2	\$168.3	\$138.8	\$205.9	\$197.5	\$217.2	\$161.2	\$143.6	+\$13.4	\$77.2	-\$32.5	\$172.1	-\$55.1	\$193.2	-\$68.0
Future contract close outs (\$NZm)	-0.7	0.1	0.2	-0.9	0.2	-0.1	-5.1	-1.5	10.0	-6.4	2.3	10.9	-0.5	+5.9	-0.8	+2.8	3.3	+13.0	6.8	+0.8
<b>Meridian Group</b>																				
Employee and Operating Costs (\$NZ m)	16	17	18	18	20	8	15	18	21	19	21	25	51	+3	46	-3	54	+7	65	+1
Stay in Business Capital Expenditure (\$NZ m)	3	3	4	3	6	2	-1	4	4	3	3	6	10	+1	11	+2	6	-2	13	+1
Investment Capital Expenditure (\$NZ m)	9	4	23	11	17	6	9	8	6	19	13	9	36	+25	34	+28	23	-14	41	+31
<b>Total Capital Expenditure (\$NZ m)</b>	<b>12</b>	<b>7</b>	<b>27</b>	<b>15</b>	<b>24</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>10</b>	<b>22</b>	<b>16</b>	<b>15</b>	<b>46</b>	<b>+26</b>	<b>46</b>	<b>+30</b>	<b>29</b>	<b>-16</b>	<b>54</b>	<b>+33</b>

# Glossary

Hedging volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian’s physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts
Combined catchment inflows	combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes
Cost of hedges	volume weighted average price Meridian pays for derivatives acquired
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales and financial contracts
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes over the last 85 years
Historic average storage	the historic average level of storage in Meridian’s Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority’s reconciled grid demand <a href="http://www.emi.ea.govt.nz">www.emi.ea.govt.nz</a>
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Financial contract sales	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity